Justice and Solicitor General

Annual Report
2016-17

Alberta
Government

Note to Readers:
Copies of the annual report are available on the Justice and Solicitor General website **www.justicesolgen.alberta.ca**

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On January 19, 2017, the government announced new ministry structures. The 2016-17 ministry annual reports and financial statements have been prepared based on the new ministry structure.

This annual report of the Ministry of Justice and Solicitor General contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, the Victims of Crime Fund, for which the minister is responsible;**
- **the financial statements of the Office of the Public Guardian and Trustee, Estates and Trusts for which the minister is responsible;**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report; and**
- **financial information relating to trust funds.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2017, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 6, 2017, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Kathleen Ganley
Minister of Justice and Solicitor General

MESSAGE FROM THE HONOURABLE KATHLEEN GANLEY

I am honoured to serve as Alberta's Minister of Justice and Solicitor General, and am extremely proud of my department's dedication to keeping Alberta's communities safe. During the last year, my ministry had a large number of impressive achievements to help ensure the province remains a great place to live for Alberta families.

In terms of legislation, Bill 9, an *Act to Modernize Enforcement of Provincial Offences*, eliminates the use of warrants for a range of relatively minor offences, such as not having a valid transit ticket or not shoveling a sidewalk. It came into force May 1, 2017 and will free up police, court, and correctional staff to focus on serious and violent crime. My ministry also introduced Bill 2, an *Act to Remove Barriers for Survivors of Sexual and Domestic Violence*. The legislation removes time limits on when survivors of sexual and domestic violence can bring forward civil claims.

Our government continues to focus on treating victims of crime with the dignity, compassion, and respect they deserve. Policies and processes are being designed, amended, and implemented continuously, and the department is also recruiting staff to four new victims programs, including Missing and Murdered Indigenous Women and Girls.

My ministry remains committed to safe and resilient communities and work has begun on a legislative framework to implement the federal government's cannabis legalization policy. It will focus on keeping profits away from criminals, keeping cannabis out of the hands of children, and protecting our roads, workplaces, and public health. I also travelled to Colorado, where cannabis is already legal, to collect policy information and identify potential challenges.

In terms of providing increased access to justice, planning work has started on a new $97 million justice centre in Red Deer. The centre will have 12 new courtrooms, with the potential to build up to 16. It will house a Resolution Services wing, which will provide dispute resolution, civil and family mediation, arbitration, and other alternatives to court.

Our government strongly believes that vulnerable and low-income Albertans deserve access to justice through legal aid, which is why we have increased legal aid funding by more than 25% since taking office. My department has been working on a review of the legal aid system to assess and refine the current scope of services. In collaboration with stakeholders, a more sustainable program will benefit legal aid clients, and will assist in the delivery of legal aid and the justice system as a whole.

It is critical that our justice system works well, particularly in light of the 2016 Supreme Court of Canada decision in *R v Jordan* which limits how long a case can take. The Alberta Crown Prosecution Service is prioritizing serious and violent cases to ensure they are heard in a timely manner. Our government announced $14.5 million in funding to hire 35 Crown prosecutors and an additional 30 court support staff to address current pressures in the system.

Our government is also committed to enhancing Alberta's bail system to ensure both public and officer safety, and to ensure that accused persons are not detained unnecessarily. The Court of Queen's Bench has determined that as of August 2017, prosecutors – not police – must be present at first appearance bail hearings. As part of planning for this potential decision, and to evaluate how such a scenario would work, the Alberta Crown Prosecution Service commenced a pilot project in Edmonton. In October 2016, Crown prosecutors started to replace Edmonton Police Service officers at first appearance bail hearings from 8:00 am to midnight.

During the year, Dr. Elizabeth Brooks-Lim was appointed Alberta's chief medical examiner, and funding was secured for two new medical examiners and an analyst. This will help the Office of the Chief Medical Examiner deal with a rise in caseloads due to population growth, and keep track of crucial data, such as opioid-related deaths. My ministry is dedicated to providing excellent death investigation services for Alberta families who have lost a loved one.

These initiatives represent a very small part of the important work that took place at Justice and Solicitor General during this period. I would like to thank everyone at the ministry for their skill, talent, dedication, and enthusiasm. Thanks also to our numerous partners from across the justice and law enforcement spectrum for their vital cooperation.

Our government's aim is to support Albertans, provide the public services they need, and build on our strengths to move the province forward. Justice and Solicitor General will continue to play its part by ensuring Albertans can live in safe and resilient communities, and have access to a fair and innovative justice system.

[Original signed by]

Honourable Kathleen Ganley
Minister of Justice and Solicitor General

Management's Responsibility for Reporting

The Ministry of Justice and Solicitor General includes the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations, and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports, and other financial and performance reporting.

Responsibility for the integrity and objectivity of consolidated financial statements and performance results for the ministry rests with the Minister of Justice and Solicitor General. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – goals, performance measures and related targets match those included in the ministry's *Budget 2016*.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Justice and Solicitor General the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Philip Bryden, Q.C.
Deputy Minister of Justice and Deputy Solicitor General
June 6, 2017

Results Analysis

Ministry Overview

In 2016-17, Justice and Solicitor General strived to achieve four outcomes:

- **Outcome One:** Vulnerable Albertans are safe and supported during interactions with the justice system
- **Outcome Two:** Justice system partners collaborate to make best use of resources to protect Albertans through prevention, intervention, and rehabilitation
- **Outcome Three:** Albertans' civil, criminal, and family legal issues are resolved quickly and appropriately
- **Outcome Four:** Albertans have access to non-court based resolution options when it best suits their needs in the justice system

Organizational Structure

Justice and Solicitor General

Alberta Crown Prosecution Service Division

The Alberta Crown Prosecution Service (ACPS) is responsible for the prosecution of persons charged under the *Criminal Code*, *Youth Criminal Justice Act,* and provincial statute offences.

The ACPS also handles criminal appeals in the Court of Appeal of Alberta and the Supreme Court of Canada on behalf of Alberta's Attorney General. Additionally, the ACPS develops criminal law policy for the province and supports criminal law consultation with other provinces, territories, and the Government of Canada.

The authority to conduct prosecutions, including all of the discretionary decisions that must be made in every case, originates with the office of the Attorney General. With this role also comes the duty to remain independent. Crown prosecutors are appointed to act for the Attorney General and administer justice at a local level. Through these appointments, the Attorney General empowers agents to perform her prosecutorial duties.

Correctional Services Division

Correctional Services is responsible for effective and efficient custody and supervision of adults and youth under correctional authority, including the facilitation of rehabilitation opportunities. Custody is reserved for adults who are remanded or serving a sentence of less than two years and for youth who are remanded or sentenced. Community supervision includes programs such as pre-trial supervision, probation, and alternative measures/sanctions for both adults and youth.

Justice Services Division

Justice Services consists of public-facing programs and branches that serve Albertans. The division is made up of a number of programs which provide a range of services such as collecting and enforcing court-ordered child, spousal, and partner support; collecting fines under the *Criminal Code*, traffic safety fines, and no-cash bail forfeitures; providing injured Albertans (victims) with compensation for injuries received in accidents involving uninsured or unknown (hit and run) motorists; and reducing crime by taking away money and property acquired by illegal means. The Property Rights Advocate Office is a resource for Albertans seeking information about issues that may affect property rights. The Office of the Public Guardian and Trustee provides decision-making support for personal and financial challenges facing Albertans, including administration of estates. The Office of the Chief Medical Examiner provides responsive front-line death investigation and death certification services. These offices carry out legislated functions independently from the department, but operate through this division on other matters. Indigenous Initiatives is responsible for overseeing the contracted Indigenous organizations that provide the Indigenous Court Work Programs, the Indigenous Justice Strategy Program, and coordinates the provision of *Gladue* reports to the Queen's Bench and provincial courts in Alberta. The ministry is party to a tri-partite agreement with the Law Society of Alberta and Legal Aid Alberta (LAA) in the delivery of legal aid to Albertans. Oversight of this agreement and the grant funding provided to LAA is carried out within this division.

Legal Services Division

Legal Services assists the minister in fulfilling the minister's role to provide legal advice to the Premier and Cabinet. With a comprehensive understanding of government's legislative and regulatory frameworks, policy objectives, and key programs, the division provides legal representation for, and legal advice to, all government departments. The division supports deputy ministers and their departments in achieving their objectives and in managing legal risks. The Legislative Counsel Office within the division drafts legislation, regulations, and Orders in Council.

Ministry Support Services

Ministry Support Services include the minister's office; deputy minister's office; communications; human resource services; and corporate services. These advisory and support services are provided to the entire ministry to optimize operating efficiency.

Public Security Division

Public Security is responsible for law enforcement; crime prevention; restorative justice; victim services including the management of a broad portfolio of functions which include police oversight and contract administration; oversight of private investigators and security guards; and providing security services for government buildings, employees, the judiciary, and members of government. The division also participates in integrated policing initiatives and delivers supplementary law enforcement including: court security; prisoner transport; traffic safety enforcement; protection of officials and infrastructure; commercial vehicle safety enforcement; and fish and wildlife enforcement.

Resolution and Court Administration Services

Resolution and Court Administration Services (RCAS) provides a broad range of services to help Albertans resolve their legal issues, including information services, referrals, dispute resolution, and court assistance. RCAS also supports the three Alberta courts through the provision of administrative and technical support services. The division also implements policies, programs, and legislative and regulatory initiatives related to a number of areas, including family, surrogate, criminal, and civil matters.

Agencies, Boards and Commissions

Alberta Human Rights Commission

The Minister of Justice and Solicitor General is responsible for the *Alberta Human Rights Act* (the Act), which establishes the Alberta Human Rights Commission (the Commission) and the Human Rights Education and Multiculturalism Fund.

The Commission is an independent commission of the Government of Alberta reporting to the minister. The Commission protects human rights in Alberta by resolving complaints made under the Act. Human rights tribunals adjudicate complaints that cannot be resolved. The Commission also works to eliminate discrimination and barriers to full participation in society through education and community engagement.

The Commission is also responsible for overseeing the administration of the Human Rights Education and Multiculturalism Fund on behalf of the Minister of Justice and Solicitor General. Through its grant program, the fund provides financial support to community organizations for projects that foster equality and reduce discrimination. The fund also provides financial support for the Commission's education and engagement initiatives.

The Chief of the Commission and Tribunals (the Chief), members of the Commission (the Tribunal) and the Director of the Commission are appointed through Orders in Council. The Chief is responsible for keeping the minister informed about human rights issues and providing the Tribunal with guidance regarding their tribunal hearings and other functions. The Chief also provides both the Director of the Commission and the Director of Education and Engagement with guidance regarding the overall goals and direction of the Commission.

The Commission publishes an annual report that summarizes the activities of the Commission.

Alberta Review Board

The Alberta Review Board makes or reviews dispositions concerning any accused person for whom a verdict of "not criminally responsible because of mental disorder" or "unfit to stand trial" is rendered, according to the provisions of the *Criminal Code*. The board also has the responsibility for determining whether such a person should be subject to a detention order, a conditional discharge, or be granted an absolute discharge. The board members are appointed through Orders in Council.

Criminal Injuries Review Board

The Criminal Injuries Review Board considers requests for reviews of decisions regarding applications for financial benefits for victims of crime under the *Victims of Crime Act*. The board may request experts to assist with a review and has the power to confirm, rescind, or vary decisions made by the Director of the Victims of Crime Financial Benefits Program. The board members are appointed through Orders in Council.

Fatality Review Board

The Fatality Review Board is responsible for the review of investigations under the *Fatality Inquiries Act* (the Act). The board determines if there is a need to hold a public fatality inquiry and reviews complaints with respect to misbehaviour, incompetence, or neglect of duty by medical examiners or the inability of medical examiners to perform their duties under the Act. The board members are appointed through Orders in Council.

Judicial Council

The Judicial Council screens individuals to determine if they are qualified for appointment to the Provincial Court of Alberta. The council is granted jurisdiction to deal with complaints against masters, provincial court judges, and justices of the peace. The council is composed of six members: two members are appointed by Ministerial Orders and the remaining four members are designated under the *Judicature Act*.

Law Enforcement Review Board

The Law Enforcement Review Board hears appeals from members of the public and from police officers relating to complaints regarding the actions of police officers and those who are not satisfied with the disposition of their complaint by the responsible chief of police. The board is established under the *Police Act*. The board also hears appeals relating to peace officer employer authorizations or peace officer appointments cancelled under the *Peace Officer Act*. The board members are appointed through Orders in Council.

Notaries Public Review Committee

The Notaries Public Review Committee, which is composed of three members, advises the Minister of Justice and Solicitor General on appointments of lay notaries public. The committee consists of a member of the Law Society of Alberta, a member of the community, and a member of the ministry - who is the secretary. All are appointed by Ministerial Orders under the *Government Organization Act*.

Provincial Court Nominating Committee

The Provincial Court Nominating Committee makes recommendations to the Minister of Justice and Solicitor General on the appointment of individuals to the Provincial Court of Alberta. The committee is composed of 11 members, eight of whom are appointed by Ministerial Orders and include representatives from the legal profession and members of the public. The remaining three committee members include the Chief Judge of the Provincial Court of Alberta, the President of the Law Society of Alberta, and the President of the Canadian Bar Association (Alberta Branch) or their representatives. By way of convention, the minister uses this committee's recommendations in making recommendations to Cabinet for the appointment of new judges.

Rules of Court Committee

The Rules of Court Committee makes recommendations to the Minister of Justice and Solicitor General on the amendments to the Rules of Court made under the *Judicature Act*. The committee consists of six members: the Chief Justice of Alberta or designate, the Chief Justice of the Court of Queen's Bench or designate, the Chief Judge of the Provincial Court of Alberta or designate, two members appointed on recommendation of the Law Society of Alberta, and one member appointed at the discretion of the minister.

Victims of Crime Programs Committee

The Victims of Crime Programs Committee makes recommendations on grant applications and provides information with respect to programs and services to assist victims of crime. The committee members are appointed by Ministerial Orders.

Discussion of Risks

The ministry worked to address several key risks to achieving these outcomes, including the development of stronger pathways to a range of resolution options; advancement of the technological infrastructure including the tools, processes, and know-how of people; and a more integrated service delivery approach.

The 2013-16 strategic risk cycle, which was reflected in the ministry's 2016-19 Business Plan, led to action items that worked to address and mitigate the ministry's risk environment such as the establishment of a stronger information management and technology governance structure; collaborative efforts to reform the family justice system; and, the exploration of opportunities for non-court based resolution pathways including mandatory intake, caseflow conferencing, and mediation for family and civil legal matters.

The ministry is continuing to monitor these risks and is taking further strides including the enhancement of access to reliable information to support evidence-based decision making, and a more integrated systems approach with better use of prevention, diversion, and offender management resources. Moving forward, the ministry is focused on ensuring a proportionate response to the severity of crime committed while balancing the cumulative impact of crime on victims and communities.

Key Factors Influencing Performance

The justice system is complex. It is comprised of many different inter-related and interconnected, programs, services, and partners. This complexity, coupled with the current economic downturn, has presented challenges for Justice and Solicitor General over the past year.

Over the past number of years, demands on the justice system have been increasing. Alberta's population has increased significantly and this growth means more people are using criminal, family, and civil justice system services. It is a challenge for the ministry and its partners to provide diverse services through multiple channels to meet the varied needs of Alberta's growing population.

Introduction of new legislation, changes to the *Criminal Code,* and court decisions in the era of the *Canadian Charter of Rights and Freedoms* create new obligations and pressures on the justice system. The new *Canadian Victim's Bill of Rights*, for example, ensures we are providing enhanced services and information to victims of crime; the addition of cybercrimes to the *Criminal Code* creates the need for new investigative, prosecutorial, trial, sentencing, punitive, and rehabilitative resources; while the Supreme Court of Canada's decision in *R v Jordan* places increased urgency to resolve trials promptly or risk proceedings being stayed by the court due to systemic delays. Looking forward to commitments arising from the Truth and Reconciliation Commission of Canada, signature of the United Nations Declaration on the Rights of Indigenous Peoples, the Violence Against Aboriginal Women and Girls Framework, the National Inquiry into Murdered and Missing Aboriginal Women and Girls, and the imminent legalization of cannabis – this system will continue to be pressured to respond to emerging changes and new requirements for service provision.

The justice system is also dealing with a multitude of social issues including poverty, homelessness, addictions, and mental health, which are experienced by vulnerable Albertans who often come into contact with the criminal justice system. Better integration and further collaboration with partners across other ministries and sectors has been a focus for Justice and Solicitor General in order to enhance delivery of client-focused services.

On top of increasing legal and social pressures, in 2015, police-reported crime in Canada, as measured by both the crime rate and the Crime Severity Index, increased for the first time since 2003. The upward movement of the national Crime Severity Index was fuelled by a notable growth of crime in Alberta. The rising crime rates create additional pressures for police, prosecutors, legal aid, the judiciary, and corrections, which the ministry is working to address.

Financial Highlights

Revenues
(in thousands)

2016-17 Budget	2016-17 Actual	2015-16 Actual
$ 343,294	$ 352,751	$ 335,824

Budget to Actual

Ministry revenues in 2016-17 reflect an increase of $9.5 million or 2.8% over budget, primarily due to:

- increased federal contribution announced in-year for criminal legal aid and immigration matters;
- higher than projected increase in court fee volumes; and
- higher miscellaneous revenue (e.g., bail forfeitures, unclaimed court trust funds).

Actual to Actual

Actual revenue increased by $16.9 million or 5.0% in 2016-17 from the previous fiscal year, mainly the result of:

- new revenue recovered from the RCMP for the Alberta First Responders Radio Communications System capital project, per approved schedule;
- higher traffic ticket and court fee volumes, as well as the added revenue from the related rate increases authorized during 2015-16 now being fully annualized; and,
- increases in the federal contributions for criminal legal aid and immigration to support Legal Aid Alberta in meeting the needs of low-income and vulnerable Albertans.

Expenses
(in thousands)

2016-17 Budget	2016-17 Actual	2015-16 Actual
$ 1,425,921	$ 1,457,603	$ 1,391,285

Budget to Actual

Ministry expenses are $31.7 million or 2.2% over the budget of $1,425.9 million. The over-expenditure has been approved through supplementary estimates to address:

- increase in manpower costs to manage workload requirements across divisions primarily in Corrections for higher than expected inmate growth of 16.3% in the last two years (from 3,291 to 3,826), initial costs related to Crown prosecutors conducting justice of the peace bail hearings, and the Supreme Court decision in *R v Jordan* to impose ceilings on the time permitted to bring cases to trial; and,
- rising legal aid caseloads and improved eligibility criteria to better support low-income and vulnerable Albertans.

Actual to Actual

Ministry expenses are $66.3 million or 4.8% higher than the previous year which includes the supplementary funding approved during 2016-17 and outlined above as well as funding to address several spending pressures, including:

- increases in Public Security as the Alberta First Responders Radio Communications System program became operational;
- increases in liability expense for the Victims of Crime Fund financial benefits and Motor Vehicle Accident Claims;
- changes to Legal Aid Alberta's service delivery and management of the increase in clients qualifying for the program; and,
- increases to dedicated revenues (e.g., ticket processing) due to increases in service demands and volumes.

Results Analysis

Discussion and Analysis of Results

Outcome One

Vulnerable Albertans are safe and supported during interactions with the justice system.

It is a priority for the ministry and the Government of Alberta to ensure the safety and well-being of vulnerable Albertans including newly arriving immigrants, Indigenous peoples, victims of crime, self-represented litigants, and low-income Albertans. The ministry has been working closely with Indigenous communities though probation, court services, and crime prevention programming and is committed to continuing to work with service providers to address root causes of crime, taking into consideration Indigenous cultural experiences and approaches. As all Albertans need access to the justice system regardless of their location and ability to pay, the ministry is committed to improving legal aid. In collaboration with our federal counterparts, the ministry has been working to ensure victims' rights are protected and they are supported so they can recover and move forward with their lives. In 2016-17, a new chief medical examiner was appointed. As well, renovations at the Edmonton location of the Office of the Chief Medical Examiner (OCME) concluded in December 2016. The multi-year project included construction of a larger toxicology laboratory, expansion of the autopsy space and morgue, and installation of improved biocontainment equipment for handling hazardous materials. The improvements to the facility will ensure the OCME can continue its important service to Albertans in the years to come.

Key Strategies:

1.1 Conduct a review of legal aid to create a cost-effective, sustainable legal aid program.

Our government understands the vital role legal aid has in helping to ensure all Albertans have access to the justice system. We remain committed to providing a legal aid system that meets the needs of low-income and vulnerable Albertans, now and in the future. This has led to an improved collaboration with Legal Aid Alberta, the Law Society, and the key stakeholders within the legal aid system.

The review included consultation sessions, client and service provider interviews, cross-jurisdictional research, and a review of Legal Aid Alberta's operations and business practices. Corporate Internal Audit Services (under Treasury Board and Finance) was engaged to conduct an independent review of Legal Aid Alberta's finances and operations and to provide scenarios that could form the basis for findings and recommendations. The analysis of the feedback from this review is ongoing.

The review examined increasing demand for legal aid services, resulting in increased operational costs that pose challenges for the long-term sustainability of the legal aid program. The review also looked at whether current legal aid services can be improved.

With that in mind, our government recognizes the importance of the effective delivery of legal aid in Alberta. Because of the lessons learned, the next steps in achieving a sustainable legal aid

program will focus on improving the legal aid delivery model in collaboration with Legal Aid Alberta, the Law Society of Alberta, and stakeholders.

As part of the next steps, the department will be developing processes to measure, monitor, and report on the quality, efficiency, and cost-effectiveness of legal aid services.

Integrated Financial Results Analysis

The Government of Alberta (GoA) provides funding to Legal Aid Alberta (LAA) to ensure low-income Albertans have access to legal services they would not otherwise be able to obtain. LAA is an independent society governed by a Board of Directors that administers the legal aid program in Alberta.

(thousands of dollars)	Voted Estimate	Supplementary Estimate	Adjusted Voted Estimate	Actuals	Unexpended (Over Expended)
2015-16	66,000	-	66,000	66,000	-
2016-17	68,500	9,400	77,900	78,320	(420)

- In 2016-17 fiscal year GoA provided $78.3 million in grants to LAA which included:
  - $68.5 million to deliver LAA services as approved in *Budget 2016* estimates.
  - $9.4 million in additional funding provided to support changes to LAA's service delivery and to support LAA in managing the increased number of clients qualifying for the program due to province's economic climate. This additional funding was approved in the third quarter through Supplementary Estimate.
  - $0.4 million in additional funding provided for an Information Technology project required to improve efficiencies and the protection of confidential client information.
- Funding for legal aid is a shared responsibility between the province and the federal government. As of March 31, 2017, 84.1% of annual government funding was provided by the province (83.6% in 2015). The federal government contributed $12.4 million to support legal aid ($10.8 million in 2015).
- In addition to grant funding, the department also provided $0.7 million to LAA in 2016-17 mainly for court-ordered counsel cases and support to the Bail Hearing Pilot Project.

1.2 Continue to work with partners and Indigenous people to provide timely and effective *Gladue* reports to allow courts to consider the unique circumstances of Indigenous people.

The *Gladue* Implementation Committee was formed in 2013 and includes justice stakeholders directly impacted by the provision of *Gladue* reports. Committee membership is multi-disciplinary, and includes members of the judiciary in the Court of Queen's Bench and the Provincial Court of Alberta, Crown prosecutors, defence counsel, Indigenous service providers, and representatives from Justice and Solicitor General.

This committee provides a regular forum to increase stakeholder awareness of operational issues with *Gladue* reporting, identify the impacts of these issues, and provide input into addressing the issues. Over the last year, the committee provided Justice and Solicitor General with support and direction to refine the content required in the *Gladue* reports, and provided ongoing feedback

regarding the efficiency and effectiveness of the reports (e.g., increased committee awareness of the challenge in locating collateral contacts to develop *Gladue* reports and discussion of the resulting reporting issues that may impact the judiciary).

Given the multi-disciplinary membership of the *Gladue* Implementation Committee, conversations have expanded to other Indigenous issues (e.g., FASD - Fetal Alcohol Spectrum Disorder) and how to manage them in the court process. The committee discussions have also been valuable in identifying service gaps in communities in areas such as mental health and addiction services.

1.3 Identify and implement Government of Alberta policy, program, and process changes in response to the *Canadian Victims Bill of Rights*, which was passed by the federal parliament in 2015 to establish victims' statutory rights to information, protection, and participation in the criminal justice process and to seek restitution.

The federal legislation provides victims with the right to receive information about the justice system and about victim services and programs available to them. It provides victims with the right to be able to get specific information on the progress of the cases including information on the investigation, prosecution, and sentencing of the person who harmed them. Victims have the right to have their security and privacy considered at all stages of the criminal justice process, and to have reasonable and necessary protection from intimidation and retaliation. Victims also have the right to ask for a testimonial aid at court appearances. Victims have the right to present victim impact statements and have them considered in court. Victims also have the right to express their views about decisions that affect their rights. Victims have the right to have the court consider making a restitution order, and having an unpaid restitution order enforced through a civil court.

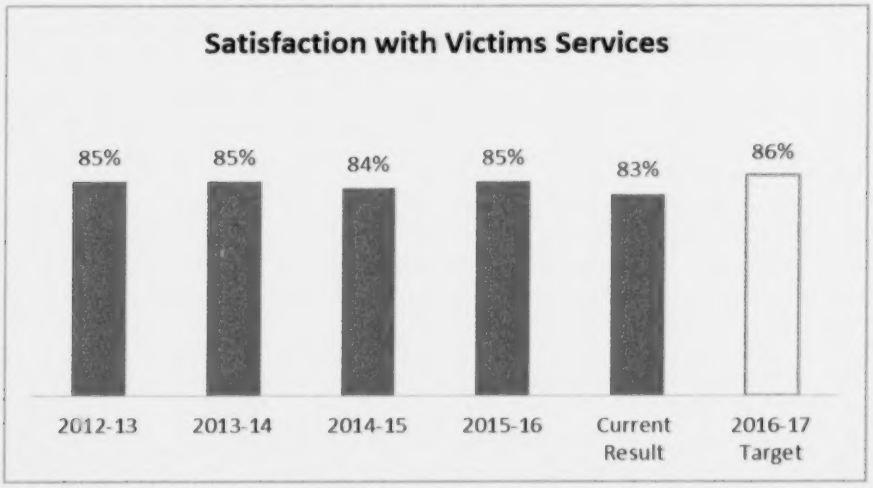
Ministry policies and processes are being designed, amended, and implemented to meet changes from the *Canadian Victims Bill of Rights*. This is an ongoing process that will continue as new information materializes and new situations arise. Over the past year, the ministry has provided training to stakeholders throughout Alberta on the new legislation and the changes that it will bring to the services they provide to victims. The new legislation provided an opportunity for the ministry to revisit key roles and responsibilities of internal and external stakeholders who provide services to victims. The ministry was then able to develop customized training materials to specifically meet the needs of targeted stakeholders.

Based on lessons learned from this initial training, the ministry is developing an online refresher course. This online course is intended to supplement the initial training and is focused on two key areas: the need for trauma informed care and cultural safety. This course will be offered to internal and external stakeholders.

In support of the *Canadian Victims Bill of Rights*, the federal government provided provinces and territories with funding to implement four programs: Complaints Program, Restitution Program, Family Information Liaison Unit (FILU), and Missing and Murdered Indigenous Women and Girls. The ministry is focusing on recruitment of staff to develop these new programs within Alberta. Collaboration with justice partners will be key to developing provincially consistent, streamlined programs, which enhance victims' experiences and outcomes in the justice system.

Performance Measures

Performance Measure 1.a: Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system



Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
85%	85%	84%	85%	83%	86%

In 2016-17, respondents reported an 83% satisfaction rating. This is a two-percentage point decrease from the previous year and is three-percentage points below the target.

Victims who have suffered physical or psychological injury because of violent criminal offences can apply for a financial benefit. Alberta Justice and Solicitor General surveys victims who apply for financial benefits to assess their satisfaction with the services they received from service providers in the criminal justice system. This indicator represents overall satisfaction with services on a scale of one to five with one representing "very dissatisfied" and five representing "very satisfied". Victims applying for financial benefits receive a survey questionnaire. Other victims who come in contact with victim services or the criminal justice system do not complete the survey.

The comments victims provided in their survey responses were quite positive. Of those who completed the survey, many felt that the support they received either met or surpassed their expectations. A number were happy to identify specific volunteers and employees who assisted them, whom victims felt "went above and beyond". Of those victims who were less satisfied, some provided comments about why they were not satisfied. A few common reasons include: communication regarding the case should be provided sooner and more often; more information and support should be provided; and, staff and resources should be increased so that information, support and referral is consistent. It is also notable that even in surveys that indicated low satisfaction with the overall services provided by the criminal justice system, many respondents identified specific areas or people

who "went out of their way" to provide assistance. The areas or people were often associated with police, victim services units, or a victim- serving organization (e.g., sexual assault centre, women's shelter, etc.).

Over the past year, the ministry continued to work with victim services units and other stakeholders to develop new supports to address gaps, including: Missing and Murdered Indigenous Women and Girls, underserved Indigenous communities, services in northern Alberta, grant funding for children's counselling (through a three-year pilot program), more targeted supports for victims of homicide, and support for families of missing persons throughout the province.

Office of the Public Guardian and Trustee Performance Measure: Service providers' satisfaction with supports and decision-making services provided by the Office of the Public Guardian and Trustee (biennial survey)

Prior Years' Results				Current Result	2016-17 Target
2009-10 Result	2011-12 Result	2013-14 Result	2015-16 Result		
94%	92%	93%	87%	Not Available	Not Available

As part of the January 2017 government re-structuring, the Office of the Public Guardian and Trustee was transferred from the former Ministry of Human Services to Justice and Solicitor General. As such, results for the performance measure associated with this program, which was included in the Human Services 2016-19 Business Plan, are reported in this 2016-17 Justice and Solicitor General Annual Report. Results for this measure are derived from a biennial survey. The survey was last conducted in 2015-16. Therefore, a target and result are not available for 2016-17.

In 2015-16, 87% of service providers were satisfied with supports and decision-making services provided by the Office of the Public Guardian and Trustee; this was a decrease of 6% from the previous survey and was 8% below the target of 95%.

An Asset Liability Study of the management of the surplus of the common fund has been completed, and implementation of the recommendations is in progress. The Office of the Public Guardian and Trustee is working to fully operationalize a quality assurance program, with a focus on training and accountability. Work is also underway to develop a new integrated IT system, which will focus on trust accounting, case management and document management, as a means of ensuring that all clients, stakeholders, and business partners receive timely and effective services.

Outcome Two

Justice system partners collaborate to make best use of resources to protect Albertans through prevention, intervention, and rehabilitation.

The justice system is complex and multifaceted and must strive to strike the right balance between complex and competing priorities. The ministry aims to shift over time from a reactive model to a preventative model. The preventative model promotes community safety by addressing the underlying drivers of crime and emphasizing rehabilitation which reduces recidivism. In collaboration with Alberta Health Services, Community and Social Services, Education, and other government partners, the ministry has been working to ensure individuals get the support they need. With collective effort, innovation, and a shared understanding of desired outcomes, justice system partners have been working to create an integrated, adaptable, efficient and effective, citizen-focused system.

Key Strategies:

2.1 In collaboration with partners, explore options to provide system-wide preventative services and engage in a more holistic approach to criminal justice that ensures individuals involved with the justice system, including those with addiction and mental health issues, have access to appropriate and timely supports.

The Mental Health Police Advisory Committee (MHPAC) was formed as a first step in responding to the Alberta Association of Chiefs of Police's (AACP's) request for advanced mental health training for Alberta's police officers. Training provided in 2016-17 included:

- Police Mental Health training (2-day course) was piloted in March 2017 to increase police awareness and understanding of the complexity of mental health issues and to educate on the processes, policies, and programs to ensure an appropriate, consistent, and timely response.
- Four sessions (Edmonton, Calgary, Lethbridge, and Taber) were delivered to members of Alberta police services by the Mental Health Commission of Canada to address first responder mental health needs and to increase awareness around the issues of stigma and empathy.

Going forward, the ministry will continue to implement actions under the *Valuing Mental Health* strategy around mental health diversion programs and police training. Through Alberta's Opioid Emergency Response Commission, the ministry will work with partners to reduce the harms associated with fentanyl and other opioid misuse. This includes supporting safe consumption sites with Alberta Health in response to an amendment in federal legislation lessening the requirements for opening such sites due to increased deaths from opioids.

Pink Shirt Day has become a powerful movement for people to show their support to end bullying. In 2016-17, an anti-bullying pin was developed to allow law enforcement and other first responders required to wear uniforms on the job to have a unique way to participate. Proceeds from the sale of the pins went to Big Brothers Big Sisters to support the development of a new anti-bullying program.

2.2 Work with partners to enhance rehabilitative policies and programs for individuals involved in the justice system by ensuring the services and supervision provided are responsive and coordinated, given varying needs and risks.

The ministry has undertaken a number of initiatives over the past year to enhance rehabilitative opportunities for individuals involved in the justice system, including the continued implementation of a new offender supervision model, mental health training for staff, a revitalization of the Temporary Absence (TA) program, a review of available offender programming, and a "Boot Camp" study. The ministry has endorsed a Risk-Needs-Responsivity (RNR) Model to supervise offenders in the community. This model, which focuses on reducing offenders' risk to re-offend, has three principles: to match the level of service to the risk level of the offender, target criminogenic needs, and match the style and mode of intervention to the learning style of the offender. The ministry is working with an external vendor to train probation officers in Effective Practices in Community Supervision (EPICS), which applies RNR principles to community supervision practices. In the upcoming year, officers in community corrections and young offender branches working with offenders in the community will continue to receive training, and a train-the-trainer model will be adopted to ensure EPICS is internalized into community corrections business practices.

A number of training sessions were also provided to increase the capacity of staff and partners to deliver mental health services to young offenders, including Fetal Alcohol Spectrum Disorder (FASD) diagnostic capacity and trauma-informed care. Enhanced therapeutic programs and services for youth with mental health needs were delivered throughout the province. Strong relationships with partners are beneficial to maximize mental health and public safety outcomes.

The ministry also made policy amendments and provided additional staff training to enhance the use of the TA, which is a conditional release program that provides low-risk offenders with an opportunity to pursue employment, education, or rehabilitative programming in the community when they would have otherwise been incarcerated. In addition, a pilot project in Lethbridge and Medicine Hat had community corrections (i.e., probation officers) and adult centre operations (i.e., correctional peace officers) partnering to review TA eligibility for offenders in those centres. This collaborative approach facilitated supervision continuity as offenders transitioned from custody to community. Efficiencies and service enhancements were also identified as a result of having increased collaboration between community and institutional correctional staff, including greater access to information for both the inmates and staff to allow for timely case management decisions to be made.

In 2016-17, the ministry undertook a review of the programs delivered in correctional centres, including those offered in young offender centres. A comprehensive list of programming available in Alberta's adult correctional centres and young offender centres has been compiled. Going forward, the ministry will continue to identify potential gaps, issues and opportunities related to program delivery or alignment with correctional best practices surrounding offender rehabilitation and reintegration.

To promote offender rehabilitation within the Edmonton Remand Centre (ERC), there are two housing units that have been designated as "boot camp" units. Placement on the boot camp units is targeted at inmates expected to remain in remand longer than average and who demonstrate a desire for and an inclination towards a more structured environment and self-improvement. It is anticipated that as a result of participation on the boot camp unit, inmates will enhance their teamwork and leadership skills, self-esteem, self-control, physical health, and employability.

In 2016-17, a study was undertaken to evaluate the effectiveness of the boot camp units in comparison to other remand units, identifying components that work well and areas that require improvement. The research to date has suggested that the boot camp units at ERC contribute to offender rehabilitation and the hope is that the benefits will continue when the inmate is released back into the community. The next phase of the study, on the re-contact of boot camp inmates with the correctional system, will demonstrate whether the program helps to reduce inmate recidivism.

2.3 Explore new technology to enable enhanced management of individuals under correctional jurisdiction and to provide individuals easy access to their legal and programming information.

In 2016-17, enhancements were made to ensure that the Offender Records and Correctional Administration (ORCA) system, (the ministry's offender management system) remains optimal and meets current business needs. By summer 2017, custodial facilities will be able to more efficiently classify custody populations based on their current legal status, which will assist staff in identifying offenders who may be eligible for release via the TA program. Enhancements will also provide better statistical information that can guide future initiatives and program development for clients in both community corrections and custody.

A staff scheduling pilot project commenced at the Edmonton Remand Centre (ERC) on October 18, 2016. The launch of the software, called SchedulePro, has allowed schedulers to reduce overtime hours and track absenteeism, thereby creating cost savings and business efficiencies. It has also allowed employees to receive shift and leave notifications in real-time through short message service, email, and in-app notifications. Streamlined business processes have been experienced by managers, schedulers and personnel who are tasked with addressing scheduling changes, which has allowed more time to focus on the management of their staff and overseeing centre operations. The optimal use of staffing resources within the centre will contribute to enhanced safety of inmates and staff alike. Phase II of the project, the integration of SchedulePro with the current payroll system IMAGIS, officially began in February 2017 and will continue over the coming year.

Over the past year, Justice and Solicitor General has been examining options for the use of new technologies to promote best practices and efficiencies within Correctional Services. To this end, a business case has been developed to:

- explore the use of technology and other efficiencies in the supervision of low-risk offenders and pre-trial clients within Community Corrections, and
- provide inmates easy access to their personal and programming information, while also streamlining the process of inmate initiated requests, thereby allowing correctional peace officers more time to focus on other priorities.

The ministry is in the process of reviewing recommendations and considering next steps.

The ministry is also exploring the potential to introduce e-learning for offenders into correctional centres. A pilot project to introduce restricted internet access at the ERC has commenced to test the online delivery of the General Equivalency Diploma (GED). An evaluation of the pilot will follow to determine the potential for provincial expansion.

2.4 Examine policies, processes, and practices regarding alternatives to incarceration to ensure ministry efforts are focused on individuals with the highest needs, enhancing the safety of Albertans.

Work took place in 2016-17 to validate the Custody Security Assessment Tool (C-SAT), which is used to assign security levels to sentenced adult inmates in provincial custody. A final report has been produced and will be used to inform changes to operational policies and practices related to security classification. This work is part of a multi-phase project to review and update the tools, policies, and processes related to classification and placement of adult inmates in remand/correctional centres. In 2017-18, the ministry will review recommendations from the validation study to ensure that security levels are appropriately assigned to individuals while in custody. Better classification systems contribute to institutional and public safety by enabling decision-making for individual inmates based on a clearer understanding of their risks and needs.

With a focus on public safety, the primary goal of the Remand Reduction Project is to work collaboratively with partner agencies to reduce the number of stays in the remand centres for people who spend less than five days in custody. The project has included the introduction of two Bail Navigator positions into Edmonton Police Headquarters in December 2016, for a one-year pilot. The Bail Navigators assist an accused with understanding the bail process and in making referrals to community agencies to assist in mitigating risk in the community and meeting the thresholds of release. The Bail Navigators assist with the bail process to divert those individuals who would have had their bail set by the courts and would otherwise been admitted to a remand centre for a short period of time. This diversion allows those individuals to maintain employment and community supports, while also upholding their obligations and responsibilities in the community (i.e., family responsibilities). Additionally, it reduces the administrative resources required to admit these individuals into custody and allows correctional resources to be dedicated to those who are remanded due to the risk they pose to the public. Results achieved through the Bail Navigator Pilot Project will be available for future reporting.

2.5 Work with Human Services to explore ways to better protect victims of domestic violence.

Justice and Solicitor General participates on an interdepartmental committee established to respond to family violence issues. Through this committee, Justice and Solicitor General works with partnering ministries, including Community and Social Services (formerly Human Services), to develop a coordinated response to address funding and support for non-government agencies that work with victims. The ministry also participates in training to ensure that service providers are able to respond appropriately to victims in a culturally sensitive and trauma-informed way.

The ministry recognizes the important work and unique expertise of community agencies that work with victims of domestic violence and the challenges these agencies can experience in applying for funding. Going forward, the ministry is looking at ways to streamline the funding application process for domestic violence service providers. In addition, the ministry is continuing to look for opportunities to further improve communication between family and criminal courts in order to ensure people do not get lost when trying to access government services for domestic violence.

The ministry provided input into the implementation of the *Residential Tenancies (Safer Spaces for Victims of Domestic Violence) Amendment Act* (also known as Bill 204), which came into force on August 9, 2016. These changes allow renters affected by domestic violence to end their tenancy and leave an unsafe home without incurring any financial penalties from the landlord. While Service Alberta is leading the implementation of this legislation, Justice and Solicitor

General has had involvement in many of the applications so far, as police have been involved. As at January 31, 2017, this provision had been used 95 times by Albertans trying to escape domestic violence and the majority of these requests came from law enforcement. This new law is working well for applicants to ensure their physical safety and increase their financial stability.

Justice and Solicitor General and its partners have developed a resource card that police services across the province can distribute to Albertans who report sexual violence to provide contact information for agencies and organizations that provide support. The resource card was created by the Sexual Violence Police Advisory Committee (SVPAC), formed by Justice and Solicitor General in 2015 to find ways to improve support for survivors of sexual assault. The committee, which meets monthly, has representatives from Justice and Solicitor General, law enforcement, Alberta Health Services, Alberta Community and Social Services and the Status of Women ministry.

Justice and Solicitor General also continues to support the Family Violence Death Review Committee by providing education on specific justice issues such as criminal responsibility, and by ensuring the committee has the case files required to conduct the death reviews.

Performance Measures

Performance Measure 2.a: Percentage of Albertans who feel safe walking alone in their area after dark.

Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
83%	82%	81%	Not Available	80%	84%

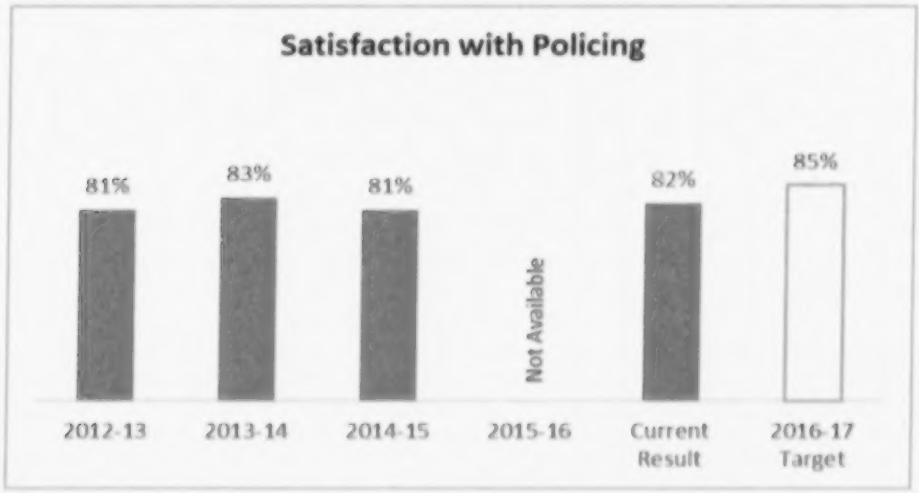
In 2016-17, most Albertans (80%) felt safe walking alone in their neighbourhood after dark. This represents a one percentage point decrease from the previous survey and is four percentage points below target. Although the target was not achieved, a decrease of one percentage point from 2014-15 to 2016-17 is not statistically significant.

In 2016-17, Albertans who generally felt safer walking in their neighbourhood at night were individuals from higher income households, males, and those who have post graduate education. Those who felt the least safe were represented by a number of different demographic groups including: those who do not feel safe when in their own home after dark; victims of crime in the past year; those in households with an annual income of less than $40,000; those who do not have or have very little confidence in Alberta's justice system; divorced, separated, or widowed respondents; females; those with less than high school education; residents of Edmonton; and, respondents 55 years of age or older.

Those with lower perceived levels of safety reinforce the findings by Statistics Canada on factors that may influence a person's attitudes, namely; their sex, age, level of education, satisfaction with personal safety, and victimization experience.

In 2015, police-reported crime in Canada, as measured by both the crime rate and the Crime Severity Index (CSI), increased for the first time since 2003. The change in the CSI in 2015 was driven primarily by increases in fraud, break and enter robbery, and homicide. The upward movement of the national CSI was primarily fuelled by a notable growth in crime reported by Alberta. Alberta reported an 18% increase in CSI, the largest increase among the provinces and territories. This increase in crime may have had an impact on how people felt about their safety in their neighbourhoods.

Performance Measure 2.b: Percentage of Albertans satisfied with policing in Alberta over the past 12 months.



Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
81%	83%	81%	Not available	82%	85%

Albertans' perceptions of safety are linked to their perceptions of policing. It is important to demonstrate to Albertans that the ministry is striving to improve on public satisfaction with policing; therefore, a stretch target was set for this measure. In 2016-17, 82% of Albertans were satisfied with policing over the past 12 months; this is an increase of one percentage point from the 2014-15 satisfaction rate (81%) and is below the target of 85%.

Lower levels of satisfaction were identified among those who do not feel safe in their own home after dark; respondents who do not have or have very little confidence in the justice system in Alberta; victims of crime in the past year; those who do not feel safe in their neighbourhood after dark; and, respondents who live in the Rural North region.

Respondents who were dissatisfied were asked why they were dissatisfied with policing in Alberta over the past 12 months. The top reasons given for being dissatisfied with policing were that there are not enough police, that they do not trust the police to act fairly/legally, and that crime is still a problem in this area.

Satisfaction with policing can be tied to crime rates and, given the increase in crime reported in 2016 (2015 data), Albertans may have felt less satisfied as a direct result. While the target for 2016-17 was not reached, satisfaction did slightly increase since the last time the survey was conducted. This increase may speak to the innovations made in policing, the holistic approach some services are taking to manage offenders, and community-focused policing.

Performance Measure 2.c: Number of escapes from secure custody or during transport.

Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
3	1	1	1	1	0

In 2016-17, there was one escape during an escort from the Fort McMurray Courthouse to RCMP cells. Eight inmates were being escorted by two sheriffs. They were all wearing leg restraints and handcuffs. The inmate was in a line waiting to be loaded in the escort van. Both sheriffs were at the rear of the vehicle and one was opening the back door to begin loading the inmates when the inmate went around the vehicle, jumped into the running vehicle, and drove off. The temperature was -20°C. The vehicle was abandoned three blocks away, undamaged. The inmate was apprehended within 30 minutes by RCMP and was returned to custody. As a result, the performance measure target of zero escapes during transport was not met.

An Incident Review was conducted for the one escape that occurred during transport in 2016-17. Additional measures have been implemented including direction that all vehicles are to be shut off when loading/unloading inmates regardless of the outside temperature. Other matters are in the process of implementation, including the addition of security fencing in the loading area in the specific location where this incident occurred, additional staff training, and the creation of standard operating procedures for loading/unloading inmates in secure and unsecure areas and the use of vehicle kill switches.

While no escapes from transport are considered acceptable, whenever a transport occurs, there is some inherent risk. Attempts to reduce the number of transports through the use of video court have been successful. However, when a transport does need to occur, factors such as the number of inmates being transported and the increased risk presented by the current inmate population can negatively impact the risk for escape. Additionally, there is an increase in the number of inmates requiring separation, when loading and unloading the escort vehicle and during the transport, due not only to gender but also as a result of gang affiliations and other complex dynamics such as various health and mental health concerns.

Performance Measure 2.d: Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges.

Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
99.9%	99.6%	100%	100%	99.8%	100%

In 2016-17, one offender released on a temporary absence had his temporary absence revoked as he incurred new criminal charges. This resulted in a 99.8% success rate, which is 0.2% below the target of 100%. Successful completion of temporary absence indicates these offenders are satisfactorily managed in the community while they are involved in constructive activities, and reflects the suitability of the release decision.

The Temporary Absence (TA) Program is a conditional release program that provides low risk offenders with an opportunity to pursue employment, education, or rehabilitative programming in the community, when they would have otherwise been incarcerated. Supervision of offenders on release for 15 days or less is provided by correctional centre staff. Offenders released for more than 15 days are supervised by community corrections staff, are required to report to a probation officer as directed, and receive random telephone calls and home visits conducted by Community Supervision Units to confirm compliance with release conditions. Offenders who fail to comply with any condition of a TA permit may have their permit suspended and be required to return to custody immediately.

The criteria used to determine who should be eligible for a temporary absence is based on best practices and, among other careful considerations, the offender must be low risk to reoffend based on the findings of a risk assessment tool. Predicting future behaviour can never be done with 100% certainty. However, the financial and rehabilitative benefits of the TA Program exceed the risk of having one individual incur new charges.

Outcome Three

Albertans' civil, criminal, and family legal issues are resolved quickly and appropriately

The ministry is committed to finding innovative solutions to improve access to justice. It aimed to expand and improve case management, ensure courthouse infrastructure fits the needs for services, and ensure an adversarial process is available to protect rights in serious cases. Improvements were required to deliver services more effectively and efficiently, to decrease the length of time it takes for cases to proceed through the courts, and to ensure the justice system's response is proportionate to the seriousness of the matter.

Key Strategies:

3.1 Explore and implement actions to improve the Alberta Crown Prosecution Service's (ACPS) capacity to respond to serious and violent offences in a more timely manner.

On July 8, 2016, the Supreme Court of Canada released the decision on *R v Jordan* which imposed "ceilings", or deadlines, on bringing criminal charges to trial. After subtracting delay waived or attributable to defence counsel, the presumptive ceilings are 18 months for cases tried in provincial court and 30 months for cases tried in the Court of Queen's Bench. On average, the vast majority of cases proceed well within the presumptive ceilings. However, serious and violent cases often take longer than average due to their complexity. The Supreme Court decision will have significant impact on criminal prosecutions and on court systems overall.

In response to *R v Jordan*, the ministry has implemented a triage approach to prosecutions to ensure that Crown and court resources are used proportionately with the seriousness of the case, and to ensure the most serious and violent offences are prioritized. The Triage Practice Protocol and the Case Viability Protocol were created and formally issued on February 27, 2017. The Triage Practice Protocol provides a standardized method for prosecutors to assess and review files and requires the consideration of several inter-related concepts: case viability, diversion, early case resolution, efficient file management, and prioritization of serious and violent crime, where resources do not permit the prosecution of all otherwise viable cases.

The Case Viability Protocol was created to place reasonable limits upon the time and resources expended by the ACPS and police in improving a deficient case before the case is withdrawn. This is to ensure a consistent and principled approach across Alberta in how cases are assessed. The ACPS and its partners are exploring the resource impact of diverting additional offenders to existing programs.

ACPS has received additional funding for the coming year to hire to its full complement, which should start to improve the division's ability to respond to serious and violent offences in a timely manner by reducing the caseload per prosecutor. Data will be collected to identify the impact of the above initiatives on case processing times to comply with *R v Jordan* ceilings.

3.2 Expand the web-based document management system and explore the implementation of additional case management offices, allowing defence counsel and unrepresented accused to request and receive case file information quickly and easily.

The Criminal e-File System utilizes modern web-based content management technology, as well as custom electronic processes, to effectively manage the receipt and disclosure of electronic prosecution documents. Criminal e-File receives prosecution packages and related material

(i.e., media) from law enforcement and uploads them into a secure server for use by Crown prosecutors. Disclosure is requested by defence counsel via a web page which initiates workflows for processing the requested information before release.

Since Criminal e-File was implemented in Edmonton (March 2015) and in Calgary (December 2016):

- time to produce disclosure on criminal cases in Edmonton has been reduced from 14 calendar days to as few as two calendar days;
- Remote Courtroom Scheduling (RCS) has increased because defence counsel are able to access the docket number for their cases. The docket number, among other things, allows them to request disclosure quickly and easily for Edmonton and Calgary criminal cases using Criminal eFile;
- RCS searches have increased by over 41% over the 22 months since Edmonton implementation (March 2015 to December 2016 – average 42,676 searches/month) compared to the 22 months preceding implementation (May 2013 to February 2015 – average 30,096 searches/month);
- electronic disclosure can be loaded on to a device without ever having to print paper. Anything that is received in paper form can be scanned and uploaded to the file. Transferring correspondence and other documents is easier and maintaining office records is more efficient;
- maintaining storage space for old files has always been an added expense and an inconvenience for counsel. Now, completed files are stored electronically; thus, reducing space and cost; and
- more than 17.5 tons of paper per year has been saved.

Taking into account the lessons learned from the Calgary implementation, preparations for implementation in the regions in 2017 and 2018 are underway:

- establish requirements to ensure sufficient line speed and SuperNet abilities in the regional locations throughout the province;
- implement more detailed migration plans to move locations that are paper-based and that have electronic file capabilities to the Criminal e-File product;
- create a training environment, enhance the training strategy, and update the training material; and
- ensure stakeholders understand the standard processes and policies for implementing Criminal eFile.

3.3 Develop an eCourts plan for Alberta to enhance the operations of the courts and their sustainability.

A dedicated, full-time project team has been assembled, which is composed of business experts (specific to courts, Court Administration, and Resolution Services) and experts in business transformation and business analysis. A project governance model has been established with representation from key areas of the justice system including executive leadership from the Court of Appeal, the Court of Queen's Bench, the Provincial Court of Alberta, Resolution and Court Administration Services, Alberta Crown Prosecution Service, Correctional Services, and Corporate Services.

A project vision and project guiding principles have been established to help lead future project recommendations and inform a business case.

The project team has also confirmed the expected approach it will use to produce a business case and roadmap. These two deliverables will outline initiatives to improve and benefit Albertans accessing our justice system, with the intent to streamline processes and ensure that collaboration across the government and other stakeholders is efficient and timely. These initiatives will outline a timeline for execution towards the goal of digital courts and resolution services across Alberta.

3.4 Continue to make policy, legislation, and regulation changes to simplify processes and expand dispute resolution options in provincial court, enabling Albertans to resolve their matters in a timely, cost-effective manner.

The ministry continues to work closely with the Provincial Court of Alberta on the Civil Claims Implementation Project which will:

- implement the amendments to the *Provincial Court Act* that were included in the *Justice Statutes Amendment Act, 2015* (Bill 16), not proclaimed into force yet;
- consolidate many different sources of procedural provisions into a new *Provincial Court Civil Procedure Regulation* that will govern the practice and procedure for civil matters in the provincial court; and
- provide the authority for the provincial court to stream disputed civil claims matters into a particular resolution track appropriate for and proportionate to the complexity of the matter.

This initiative will help modernize processes and procedures for civil claims matters in the Provincial Court of Alberta, and will help improve the delivery of services to Albertans and our stakeholders. It will also help ensure the flexibility to accommodate future innovations or process improvements.

For Albertans, these changes will help ensure that the full complement of the court's services and resources are available to them if required, while straight-forward matters, which would benefit from early intervention, can be identified and resolved efficiently and effectively. These changes will also provide better access to justice for individuals pursuing civil actions. Increasing the small claims limit from $25,000 to $50,000 in provincial court means that more people can deal with their civil matters without the services of a lawyer. In addition, hearing more of these matters in provincial court relieves pressures on the Court of Queen's Bench.

Additional opportunities for mediation and dispute resolution will allow self-represented parties the opportunity to settle their matters out of court, making justice timelier, less expensive, and less adversarial for the average Albertans.

Bill 9, an *Act to Modernize Enforcement of Provincial Offences*, which received Royal Assent on May 27, 2016, eliminates the use of warrants to enforce tickets and overdue fines for minor, non-vehicle related provincial and municipal by-law infractions. Instead, collection of overdue fines will be enforced by restricting motor vehicle registry (MVR) services and using other civil means in cases where MVR restrictions do not apply. Amending the existing *Provincial Offences Procedure Act* and repealing the associated *Procedures Regulation* and replacing it with an updated version will signal a shift away from criminalizing poverty by ensuring people will not be incarcerated because they cannot pay their fines. Savings are created by eliminating the associated incarceration costs and will also allow law enforcement and court resources to focus on more serious matters rather than addressing warrants for relatively minor offences.

The new legislation strikes a balance by creating a more effective way of holding people to account if they do not pay fines for minor offences, while at the same time ensuring the most vulnerable are not treated like criminals if they cannot afford to pay their fines. Using civil enforcement collection measures rather than jail is a more proportionate way to enforce overdue fines given the relatively minor nature of these offences. These measures are also more effective and efficient than warrants in ensuring that fines are paid by individuals and organizations that can afford to pay.

In March 2017, the ministry introduced Bill 2 an *Act to Remove Barriers for Survivors of Sexual and Domestic Violence*. This bill, which came into force on May 4, 2017, amends existing legislation to remove time limits for survivors of sexual and domestic violence to bring forward civil claims when they are ready.

3.5 Develop and implement a sustainable infrastructure plan for Alberta's courthouses, addressing critical deficiencies and improving accessibility to priority court programs and resolution services.

As demands on the justice system continue to grow, so do the demands to ensure the safe and secure delivery of courthouse-based programs and services. These improvements ensure that court facilities are able to effectively manage high volumes of work in a safe and secure manner, enabling legal issues to be resolved quickly and appropriately.

The project continues to move forward as planned, with only minor scheduling adjustments made to address issues with design and tender delays. Overall, expected results to date have been achieved including effective front-end planning which has positioned us well for future success as we embark into the implementation phases of this initiative.

Additionally, we expect some changes in terms of reallocation of project resources as a result of the recent announcement of capital funding for a new Red Deer Justice Centre. This project will address a long-standing shortage of space in Red Deer's current courthouse and help meet the justice needs of central Alberta communities. Some minor scope renovations (creation of a meeting room and space for visiting judges, and courtroom and security enhancements) are being completed in the existing facility to address interim pressures.

The Edmonton Law Courts building is also receiving some upgrades under this project, including the completion of the Trial Coordinators space on the sixth floor, further enhancing security in this area.

Design work for new modular courthouse facilities in Chateh, Alexis, Fort Vermillion, and Red Earth Creek has been completed, with Fort Vermillion and Red Earth Creek having commenced construction with a projected completion date of summer 2017. Completion of these courthouses will see an increase in overall capacity, including an increase in visiting day offices for court-related support programs, the addition of vulnerable witness testimony rooms, improved security including the addition of sally ports in the prisoner handling areas, and upgraded courtroom technology.

3.6 In partnership with the Alberta courts and other stakeholders, reform the family justice system in Alberta to make it more open and responsive by providing families with coordinated services to resolve disputes when possible without having to go to court and, when court processes are required, making them less adversarial.

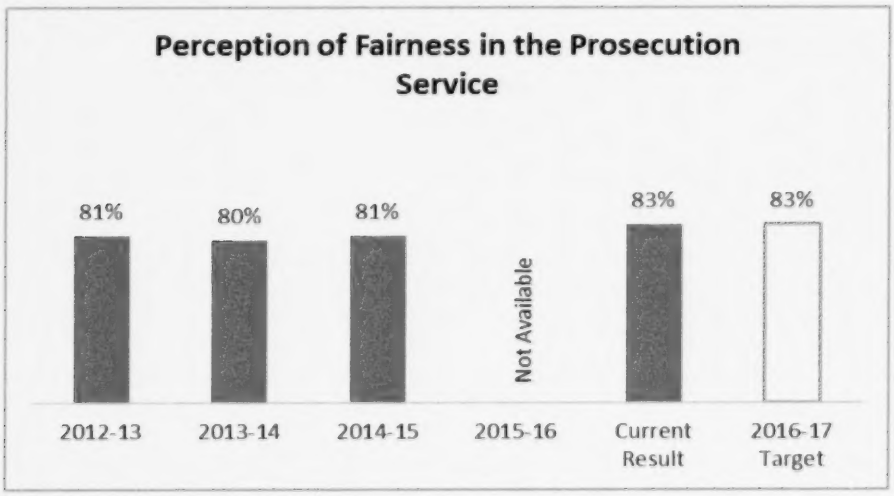
The Reforming the Family Justice System (RFJS) initiative has developed a shared understanding among justice service providers that family justice issues are primarily social, financial, and relational with a legal element. A shift is in motion from the current adversarial system to a focus on family well-being through services that support people as they experience the pressures of family restructuring.

Working under the umbrella of family justice reform, Resolution and Court Administration Services has initiated a number of services for families designed to improve their interactions with the justice system:

- Mandatory intake and caseflow conference for families for the past two years in Edmonton and in Calgary, and recently piloted the program in Grande Prairie in 2016. Data indicates that these services help about 65% of family law matters find resolution outside of court. Provincial court judiciary in Grande Prairie estimate that for every file diverted to caseflow management, about one hour of court time is saved, which can be used to hear other matters.
- A program in St. Paul and surrounding Indigenous communities, brings Indigenous Family Court Workers to the community to provide on-site intake and assessment services without attending the courthouse. This gives Indigenous clients more harmonious and faster services without incurring the expense of traveling to the court in St. Paul.

Performance Measures

Performance Measure 3.a: Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime



Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
81%	80%	81%	Not Available	83%	83%

In 2016-17, the majority (83%) of Albertans agreed that Justice and Solicitor General provides a fair and impartial prosecution service. This is an increase of two percentage points over the previous result and meets the target of 83%.

Agreement was higher among respondents who have post graduate degrees and respondents who have a lot, or some, confidence in the justice system. Agreement was lower among respondents who have no, or very little, confidence in the justice system; those who feel unsafe in their home after dark; and those who live in the Rural North region. Among those who disagreed that Justice and Solicitor General provides a fair and impartial service to prosecute people charged with a crime, the top reasons were that penalties are too lenient/released on bail too easily, dislike/distrust of the government/justice system, and specific groups are not treated equally.

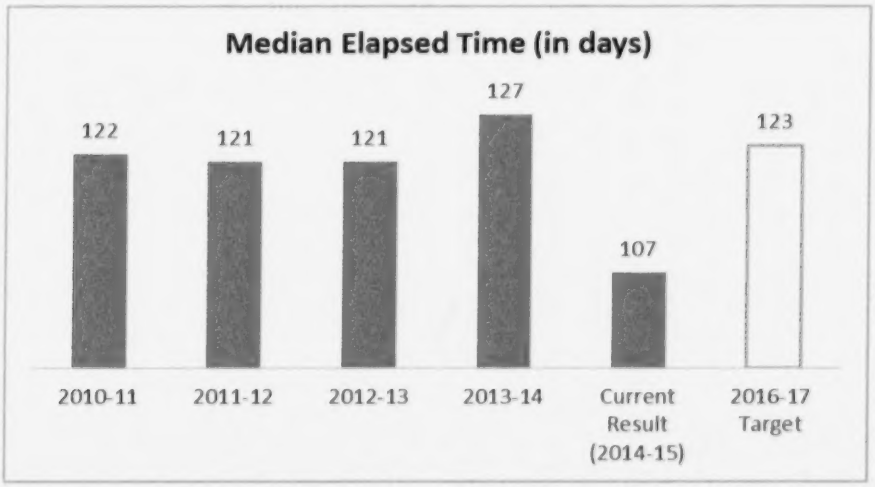
Since this measure was first introduced through the business plan in 2008-09, there has been a substantial increase in the percentage of individuals who agree that Justice and Solicitor General provides a fair and impartial prosecution service (from 71% in 2008-09 to a high of 83% in 2016-17).

Over the past several years, Justice and Solicitor General has undertaken a number of initiatives to improve the efficiency and effectiveness of prosecution and court services, which may have contributed to improved perceptions of the prosecution service. The Court Case Management project was implemented to increase Albertans' access to justice by making better use of court time and to improve the management of cases. The ACPS has been prioritizing financial and human resources based on the concept of proportionality, using streamlined processes to move less serious matters out of the formal court system so that serious and violent criminal matters receive priority.

The measure is responsive to policy and program intervention by the ministry, including public education, information programs and initiatives, and prosecutions. Public perception of prosecution services may be influenced by ministry efforts to conduct trials on serious and violent offenders in a timely fashion. In October 2016, the Minister announced the formal implementation of the triage approach by the ACPS in response to the Supreme Court of Canada decision in *R v Jordan*. The announcement along with the subsequent triaging of less serious cases may have influenced this year's result. In addition, public perception of prosecution services in general may be influenced by an individual prosecutor's professional conduct, which is regulated through the Law Society of Alberta's Code of Professional Conduct. Prosecutors are supported by ongoing training to build the knowledge and skills necessary to conduct prosecutions in the best possible way.

Public opinion survey results are influenced by current events and the media (64% of survey respondents said the mass media was their main source of justice system information). In particular, the increase in the result from the previous survey may reflect the media coverage of major trials that occurred around the time the survey was conducted. Furthermore, at the time the survey was conducted, the ACPS was piloting a Crown bail project wherein Crown prosecutors conducted first appearance bail hearings for Edmonton Police Service cases. This may have impacted survey results in the Edmonton region.

Performance Measure 3.b: Median elapsed time from first to last appearance for a criminal case in Provincial Court of Alberta and Court of Queen's Bench of Alberta.



Prior Years' Results				Current Result (2014-15)	2016-17 Target
2010-11 Result	2011-12 Result	2012-13 Result	2013-14 Result		
122 days	121*days	121 days	127 days	107 days	123 days

* On September 28, 2015, the Canadian Centre for Justice Statistics (CCJS) revised Alberta's 2011-12 median elapsed time from 117 days to 121 days and also revised Alberta's number of concluded cases from 53,763 to 56,287. The 2016-17 target of 123 days was set based on the previously reported 2013-14 result of 127 days.

In 2014-15, the median elapsed time was 107 days, a 17.5% decrease when compared to the median elapsed time of 127 days in 2013-14. The median elapsed time is 16 days below the target of 123 days.

When Alberta's 2016-17 median elapsed time target was set, CCJS' most recent available data was for the 2013-14 fiscal year. Alberta's 2016-17 target was set based on the 2013-14 result of 127 days.

The ministry expected the results for 2014-15 would be higher than the actual of 107 days. Median elapsed time has been 121 or 122 days each year between 2008-09 and 2012-13, except for 2009-10 when it was 126 days. The significant drop from 127 to 107 days was unexpected and inconsistent with the trend over the previous six years. Additionally, Alberta's 2014-15 result is inconsistent with the national result. The Canadian median elapsed time for 2014-15 was 121 days.

There are a variety of different factors that can contribute to case processing times in criminal court. These include: the number of accused; the number and types of charges; the number of court appearances; the number of pre-trial motions; whether there is a guilty plea; whether a trial was held; whether an accused has legal representation; and, whether a preliminary inquiry was requested and/or held. Case processing time is also influenced by the availability of court resources (judges and lawyers), case management practices, and differences in the structure and operation of courts.

Decisions rendered by the Supreme Court of Canada as well as a variety of initiatives from all levels of government can influence the volume of cases and the processing of those cases before the courts.

The ministry's influence on median elapsed time is based on case processing efficiencies, the number of available courtrooms utilized, available Crown prosecutors and judicial resources, and Court Case Management, which includes the Case Management Office, Crown File Ownership, Remote Courtroom Scheduling (RCS), Assignment Courts, Court Appearance Scheduling System (CASS), and Criminal eFile. Monthly lead time reports from the Justice Online Information Network (JOIN) inform Resolution and Court Administration Services and Alberta Crown Prosecution Services if there are delays in case processing for trials and preliminary hearings.

Sometimes the reason for delay before trial is that the matter is a serious one and/or more complex. To this end, cases involving multiple charges as opposed to a single charge generally have a higher median time for completion (121 days versus 87 days, nationally). Alberta experienced a 21.8% drop in the number of multiple charge cases, in addition to a 19.9% drop in the number of single charge cases. Multiple charge cases represented 63.0% of all cases in 2014-15, a slight decrease from 63.5% in 2013-14.

It is also important to look at the types of offences that cases involve. Generally, cases involving crimes against the person involve more complex trials. In Alberta, from 2013-14 to 2014-15, the number of cases involving crimes against the person offences decreased by 25.2%. Additionally, the number of cases involving crimes against property decreased 10.4% and cases involving administration of justice offences decreased 19.6%. The overall reduction in cases in Alberta was driven by a decrease in impaired driving cases (from 9,070 to 6,537), common assault cases (5,346 to 3,815), and administration of justice offences (from 15,318 to 12,306).

In 2012, Alberta launched a Provincial Strategy to Reduce Impaired Driving (PSRID). PSRID enhanced Alberta's graduated licensing programs (GLPs), extended .00% blood-alcohol concentration (BAC) limits for new and young drivers, strengthened the response to .05% BAC drivers with the immediate roadside sanctions (IRS) program and applied new and more strict administrative sanctions on criminally charged offenders. These efforts had an immediate effect on the rate of impaired driving charges, and injuries and fatalities have been markedly and consistently decreasing ever since. In addition to the decrease of impaired driving cases, there has been a noticeable decrease in the median elapsed time of impaired driving cases from 134 days in 2013-14 to 64 days in 2014-15.

It is impossible to identify any one specific initiative as the source of the changes observed in the statistical trends of this performance measure. The trends reflect the cumulative impact of these initiatives and factors combined.

In an attempt to better understand the unexpected drop in median elapsed time in Alberta, the ministry also undertook a review of the results for other provinces. Previously, it was believed that median elapsed time results correlate with number of cases concluded. A review of the results for other provinces does not support this theory. Some provinces saw significant decreases in the number of cases concluded, yet saw increases in their median elapsed time. Alberta had a 21% decrease in concluded cases while the median elapsed time decreased 20 days. In comparison, British Columbia and Manitoba both experienced smaller decreases in their concluded cases (7% and 8%) with decreases in their median elapsed time (11 days and eight days). Quebec had a 25% decrease in their cases concluded while their median elapsed time rose by two days. Ontario had a

9% decrease in their cases concluded while their median elapsed time rose by five days.
Saskatchewan had a 2% decrease in concluded cases while their median elapsed time rose by four days.

Outcome Four

Albertans have access to non-court based resolution options when it best suits their needs in the justice system

The ministry is committed to delivering alternative dispute resolution pathways to enable Albertans to resolve their legal issues outside of the courts, where appropriate. Not all legal issues require court intervention to achieve resolution. Albertans benefit from affordable and less adversarial options, including administrative alternatives to court processes, for less serious matters. At the same time, this allows justice and court resources to be focused on the timely resolution of serious or complex criminal, family, and civil matters. Albertans were, and will continue to be, educated and informed about resolution options that are faster and more efficient.

Key Strategies:

4.1 Collaborate with partners to help Albertans navigate the court system, providing a single point of contact to identify user needs and provide direction to the appropriate services in a manner that is efficient, effective, and client focused.

The RCAS Contact Centre launched in June 2016 provides a single point of contact for general telephone inquiries from the public. The RCAS Contact Centre advisors can assist callers with specific questions related to their court matters, available services, referrals to appropriate external agencies, and more. The RCAS Contact Centre has reduced call volumes in courthouses, freeing up clerks to attend to more complex matters.

In 2016-17, phone lines in six court locations were transferred to the RCAS Contact Centre. The RCAS Contact Centre currently handles approximately 400 calls per day, and is at capacity. The Edmonton and Calgary Provincial Court Traffic lines were among the first lines to be redirected to the RCAS Contact Centre as they had the greatest call volume. This saw a dramatic decrease in calls to those main lines, freeing up clerks' time to devote to more in-person customer service.

An evaluation plan has been developed to look at eight key performance indicators, including employee turnover, call quality, cost per call, average call time, wait time during peak hours and correct referrals.

The RCAS Contact Centre is quickly becoming the go-to resource for Albertans who have questions about traffic tickets, court appearances, and jury duty. Contact centre advisors have access to databases and can quickly pull up key information, which prevents front line staff from being interrupted by phone calls so they can focus on other work.

A new Interactive Voice Response (IVR) system is being developed that will provide clients the ability to select different call routes based on need. The structure and advisor complement of the RCAS Contact Centre based on volume of calls can be set and adjusted utilizing IVR data. This feature will allow for improved efficiency and effectiveness, and will also assist in the redirection and monitoring of additional courthouse phone line traffic.

4.2 Explore and, where possible, implement administrative and electronic processes for driving offences (including traffic tickets), increasing the justice system's capacity to handle more serious crimes in a timely way.

Improvements to current traffic ticket processes have been identified and documented. Process improvements will ensure that Albertans receive faster, better service when dealing with traffic

tickets, while ensuring resources are effectively utilized. Also to this end, work has continued with the RCMP over the past year to prepare for the implementation of eTicketing technology. Implementation of this project is now targeted for summer 2017. This new technology will facilitate the same-day uploading of ticket data to the courts, reducing ticket processing time, and allowing Albertans to resolve their traffic matters sooner. This new technology will also reduce traffic ticket data entry errors, which will increase the quality of driving records in Alberta leading to improved traffic safety. RCMP will be the first to launch eTicketing, but it is expected that other agencies will adopt similar technology in the future.

A pilot closure of three First Appearance Centres (FAC) began February 1, 2017, in Leduc, Lethbridge, and Ponoka. FACs were first introduced in 1999 to reduce the time and cost related to traffic court appearances by allowing individuals charged with a traffic offence to discuss their cases with a prosecutor before initiating a trial. Since the establishment of FACs, ticket volumes have increased significantly, and attendance rates at FACs have become unmanageable, preventing prosecutors from holding the meaningful discussions they were designed to facilitate. The pilot closure of FACs will not affect citizens' right to dispute their tickets through the trial process. Data from the pilot will be collected and analyzed before any future recommendation is made.

In July 2016, a new e-services portal was launched, enabling a lower cost option for online payment of ticket fines. The portal provides greater access to Albertans to pay their fines quickly and easily without needing to come to a courthouse.

Performance Measure 4.a: Maintenance Enforcement Program's compliance rate on cases enrolled, by regular monthly payments

Prior Years' Results				Current Result	2016-17 Target
2012-13 Result	2013-14 Result	2014-15 Result	2015-16 Result		
72%	73%	72%	69%	67%	70%

The Maintenance Enforcement Program (MEP) is authorized by the *Alberta Maintenance Enforcement Act* to collect and distribute spousal and child support under the terms of maintenance orders and certain agreements. Once an order or agreement has been registered with MEP, maintenance payments that the debtor (payer) would pay directly to the creditor (recipient) are to be paid to MEP. MEP then forwards the payment to the creditor once the funds have cleared through a trust account. In cases of default (non-payment) by the debtor, MEP has the legislative authority to take steps to enforce the maintenance owed. Enrollment with MEP allows creditors to pursue collection of their maintenance orders through an administrative program, rather than having to attend court to self-initiate those enforcement actions that are available to individual creditors.

MEP's regularity of payment rate measures the amount of maintenance dollars that are received within the month that they are due. In 2016-17, the result was 67%, which was three percentage points lower than the target of 70%. This was also two percentage points less than the 2015-16 result of 69%.

While MEP continues to develop and implement changes to improve its procedures and level of service to clients, the primary factor in not meeting the projected target was the overall decline in economic activity in Alberta. In November 2016, Alberta's unemployment rate rose to a 22-year high of 9%. Between January 2016 and January 2017, wages dropped by 2% (wages had already declined 4.3% in 2015), while inflation rose 2.5%. In 2016, the number of bankruptcies and consumer proposals for individuals increased 34.3% to 13,170. The number of Employment Insurance recipients also increased, with 91,730 recipients in January 2017 compared to 64,980 in January 2016 and 33,650 in January 2015. The impact of these factors on debtors' ability to maintain regular payments cannot be overstated.

MEP makes a concerted effort to ensure maintenance payments are paid as they are due. MEP encourages clients to take advantage of automatic payment options such as voluntary wage deductions or automatic bank withdrawal to ensure their monthly payments are made on time.

MEP also relies on a full slate of enforcement actions, utilized in accordance with a collection progression. As the default on a file becomes more serious, so do the enforcement actions. These enforcement tools include: a writ filed at the Personal Property Registry, registration against real property, support deduction notices (including wage, non-wage and federal support deduction notices), credit bureau reporting, motor vehicle restrictions, driver's license suspensions, recreational hunting and fishing restrictions, federal license denials, financial examinations, default hearings, and asset seizures. MEP also has access to a variety of databases to assist in locating a debtor or a debtor's assets or income.

Default penalties and interest charges are applied to files when payments are not made in full and on time. Debtors with outstanding arrears are encouraged to make payment arrangements to avoid further enforcement action, default penalties, and interest.

MEP continues to focus on improving personal contact between staff and clients, and continually reviews existing collection strategies to ensure that maintenance is paid regularly.

Ongoing initiatives to increase regularity of payment include the following:

- Continuation of initiatives to streamline processes, allowing staff to focus more attention on bringing files into compliance.
- Improving internal communications to increase consistency in handling files and applying enforcement actions across the Program.
- Re-allocating internal resources to reduce call wait times and provide clients prompt, proactive service.
- Continuing to work closely with our reciprocating partners across Canada and elsewhere, to identify best practices, harmonize policies where appropriate, and streamline processes when clients move from one jurisdiction to another.

Effectively administering a MEP file requires a robust suite of enforcement tools supported by a comprehensive information management system and highly motivated well-trained staff. Reacting quickly and appropriately to bring files into compliance as soon as default occurs is key. During 2016-17, MEP continued to suffer high vacancy rates, resulting in delays working some file tasks. While the impact of staff vacancies is thought to be far less of a factor than the large economic issues, it bears mentioning.

Results Analysis

Performance Measure Methodology

1.a Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system

Source: *Justice and Solicitor General, Public Security Division Victim Services Evaluation Survey*

The ministry tracks the satisfaction of individuals who receive services from employees and volunteers within the criminal justice system. The evaluation survey is included in the Financial Benefits Application package and submitted with applications for financial benefits. Victims apply to the financial benefits program on a continual basis throughout the fiscal year and, as a result, the survey data collection timeframe runs for one full fiscal year. Therefore, for the fiscal year 2016-17, data was collected from April 1, 2016 to March 31, 2017. Results are compiled from the responses completed by individuals who choose to respond to this survey at the time they apply to the program. Results are reliable within ±3.3% at the 95% confidence level.

The response rate for this survey was 17% in 2016-17. The response rate is calculated using the number of Financial Benefit applications received (4,130) and the total number of responses to the survey (720).

Respondents are asked to rate how satisfied they are with the overall service provided by employees and volunteers within the criminal justice system. The survey uses a five-point Likert scale ranging from one (very dissatisfied) to five (very satisfied). The methodology consists of totaling the cumulative score for the responses to this question and dividing by the total number of valid completed responses to the question. The results provide an average score which is then converted to a percentage for consistency with other ministry performance measures.

2.a Percentage of Albertans who feel safe walking alone in their area after dark

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2016-17 survey was conducted during the month of January 2017 and is the first survey to be conducted on the new biennial schedule (the last survey was completed 2014-15). Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. The 2012-13 sample size for this survey question was 2,000 and was kept at 2,000 for 2013-14, 2014-15, and 2016-17. To survey a random and representative sample of adult Albertans, quotas were established based on Statistics Canada's 2011 Census

data and the Government of Alberta's population projections on Open Data. In each of the six geographic regions of the province, the number of interviews in each age-gender segment was

proportionate to their 2011 population estimates. Results are reliable within ±2.2% at the 95% confidence level.

2.b Percentage of Albertans satisfied with policing in Alberta over the past 12 months

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2016-17 survey was conducted during the month of January 2017 and is the first survey to be conducted on the new biennial schedule (the last survey was completed 2014-15). Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

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2.c Number of escapes from secure custody or during transport

Source: Justice and Solicitor General Administrative Data, Correctional Services and Public Security Divisions

The performance measure reports the absolute number of incidents of escapes from secure custody or during transport. To be counted as an escape from secure custody, the escape must meet all of the requirements for a prison breach as described in section 144 of the *Criminal Code*. Offenders who walk away from minimum-security settings, or who fail to return from a period of conditional release, are not counted as escapes from secure custody. Escapes that occur during transportation under the supervision of a correctional peace officer or a sheriff are included.

All adult correctional centres and young offender centres report the number of escapes from secure custody or during transportation of an offender under the supervision of a correctional peace officer, on a monthly basis on the monthly offender activity reports. When a centre reports an escape, it is investigated by a Board of Inquiry. If police become involved in apprehending the offender, a police report is prepared as well.

If an escape incident occurs when transporting an offender, staff involved in the transport completes an incident report. If police become involved in apprehending the offender, a police report is prepared as well. Management conducts investigations into all escape incidents and takes further action as needed.

2.d Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

Data on temporary absences ended and revoked due to new charges is stored in the correctional service administrative system (Offender Records and Correctional Administration - ORCA). This system provides the ministry with a database of operational statistical information about individuals under the care, custody, and control of the Alberta Correctional Services Division. A query of the correctional service administrative data at the end of the fiscal year produces the information required for this performance measure.

The number of Temporary Absence (TA) Programs ended and the number of temporary absences revoked due to new charges is obtained by analysis of the data extracts produced from the system. The percentage of TA Programs completed successfully is calculated by subtracting the number of temporary absences revoked due to new charges from the number of temporary absences ended in the fiscal year. The result is then divided by the total number of temporary absences ended.

The new offender management system, ORCA, was introduced in February 2013 and replaced the legacy system, Correctional Management Information System (CoMIS). Data on temporary absences (conditional releases) granted and suspended due to re-offence was stored in the CoMIS until January 2013.

3.a Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The 2016-17 survey was conducted during the month of January 2017 and is the first survey to be conducted on the new biennial schedule (the last survey was completed 2014-15). Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

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3.b Median elapsed time from first to last appearance for a criminal case in Provincial Court and Court of Queen's Bench of Alberta

Source: *Integrated Criminal Court/Adult Criminal Court Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS Juristat publication was available on February 21, 2017.

Median elapsed time from first to last appearance represents the mid-point in elapsed time between first and last appearance for all adult criminal cases processed in provincial and superior court. In Alberta, this is the Provincial Court of Alberta and the Court of Queen's Bench.

Performance data for median elapsed time from first to last appearance is obtained from the Integrated Criminal Court Survey/Adult Criminal Court Survey, CCJS. The ministry provides annual data from the Justice Online Information Network (JOIN) to CCJS' Integrated Criminal Court/Adult Criminal Court Survey through an automated interface. At CCJS, the data is edited, verified, and signed off with the ministry. Information from a number of jurisdictions such as Manitoba, superior courts in Prince Edward Island, Quebec, Ontario, and Saskatchewan, as well as municipal courts in Quebec, are excluded due to the unavailability of data.

A methodology change was introduced by CCJS in 2007-08, which delayed the publication of further results until 2009-10. Therefore, results published in Alberta Justice and Attorney General annual reports prior to 2009-10 are not comparable to results published in the 2016-17 annual report. At the time of annual report publication, the most current results available from CCJS were for 2014-15.

Results published in the 2009-10 and 2010-11 Alberta Justice and Attorney General annual reports have been restated to account for cases that were pending at the end of the reference period, had no subsequent activity for a full year and were therefore deemed closed, as per the CCJS published methodology. The 2011-12 result published in the 2013-14 and 2014-15 Justice and Solicitor General annual reports has also been revised by CCJS from 117 days to 121 days, and Alberta's number of concluded cases has been revised from 53,763 to 56,287.

4.a Maintenance Enforcement Program's compliance rate on cases enrolled by regular monthly payments

Source: Justice and Solicitor General Administrative Data, Maintenance Enforcement Program

The regularity of payment is a proxy measure for MEP's compliance rate on cases enrolled. Terms of maintenance orders and agreements are entered into the Maintenance Information Management System (MIMS). The overall amount of maintenance payments that are due each month are then totaled by MIMS. Payments received are also entered into the system and totaled monthly by MIMS. This measure shows the amount of regular maintenance collected as a percentage of the regular maintenance due. It does not reflect collection of MEP-charged fees or penalties, any arrears, or any variable extraordinary expenses. The result is calculated on a monthly basis by dividing the amount of regular maintenance collected in a month by the amount of regular maintenance due in that month. The annual result is an average of the monthly results. The methodology for this measure was adapted from a similar measure developed by the CCJS.

Ministry Expense by Function
(in thousands)

Function	*2016-17 Budget*	*2016-17 Actual*	*2015-16 Actual*
Protection of Persons and Property	$ 1,269,327	$ 1,275,662	$ 1,228,389
Social Services	135,427	160,373	140,768
Agriculture, Resource Management and Economic Development (ARMED)	21,167	21,568	22,128
Total	$ 1,425,921	**$ 1,457,603**	$ 1,391,285

Protection of Persons and Property includes $1,275.7 million in expenses for essential services that provide security for Albertans and their property through policing (Royal Canadian Mounted Police services, policing assistance grants to municipalities; sheriffs, and Commercial Vehicle Enforcement Officers), courts' administration and the legal processes, as well as adult and young offender correctional institutions. This function contains 87.5% of Justice and Solicitor General spending which is included in divisions of Public Security, Resolution and Court Administration Services, Alberta Crown Prosecution Services, Justice Services, Legal Services, Correctional Services, Alberta Human Rights, and Ministry Support Services.

Social Services spending of $160.4 million covers actions taken by the government either alone or in cooperation with Albertans to offset or support the well-being of individuals or families threatened by circumstances beyond their control. This includes ministry services for the Victims of Crime, Motor Vehicle Accident Claims, Legal Aid Alberta and the Office of the Public Guardian and Trustee.

Agriculture Resource Management and Economic Development consists of services related to the conservation and development of natural resources and the development and promotion of agriculture and other sectors of the economy. The ministry's fish and wildlife enforcement functions and $21.6 million of expense fall under this category.

Financial Information

MINISTRY OF JUSTICE AND SOLICITOR GENERAL

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended March 31, 2017

MINISTRY OF JUSTICE AND SOLICITOR GENERAL

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

Independent Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Consolidated Statement of Change in Net Debt

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

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Schedule 2 – Consolidated Credit or Recovery

Schedule 3 –Consolidated Expenses – Directly Incurred Detailed by Object

Schedule 4 - Related Party Transactions

Schedule 5 – Consolidated Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Justice and Solicitor General, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Justice and Solicitor General as at March 31, 2017, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 6, 2017

Edmonton, Alberta

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Revenues (Schedule 1)			
Government Transfers			
Federal Government Grants	$ 33,342	$ 34,876	$ 32,861
Premiums, Fees and Licences	51,673	52,996	52,929
Investment Income	970	968	1,136
Other Revenue	257,309	263,911	248,898
	343,294	352,751	335,824
Expenses - Directly Incurred (Note 2(b), Schedule 3 and 5)			
Programs			
Ministry Support Services	60,887	55,738	56,348
Resolution and Court Administration Services	205,353	208,243	208,439
Legal Services	54,847	53,999	56,112
Alberta Crown Prosecution Service	90,980	93,031	96,010
Support for Legal Aid	68,500	78,320	66,000
Justice Services	70,971	70,465	69,418
Public Security	544,870	535,204	494,014
Correctional Services	266,801	285,143	274,783
Alberta Human Rights	8,397	8,401	8,117
Motor Vehicle Accident Claims	21,058	28,798	25,670
Victims of Crime Fund	33,257	40,261	36,374
	1,425,921	1,457,603	1,391,285
Annual Deficit	$ (1,082,627)	$ (1,104,852)	$ (1,055,461)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016 (Restated Note 3)
	(in thousands)	
Financial Assets		
Cash and Cash Equivalents (Note 4)	$ 74,847	$ 73,235
Accounts Receivable (Note 5)	172,071	179,257
Advances	20	22
	246,938	252,514
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	291,999	274,307
Deferred Revenue (Note 7)	2,517	2,558
Unspent Deferred Capital Contributions (Note 8)	-	296
	294,516	277,161
Net Debt	(47,578)	(24,647)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	379,171	391,661
Net Assets Before Spent Deferred Capital Contributions	331,593	367,014
Spent Deferred Capital Contributions (Note 8)	2,766	-
Net Assets	$ 328,827	$ 367,014
Net Assets, Beginning of Year	$ 367,014	$ 299,994
Adjustment to Net Assets (Note 17)	1,971	33
Annual Deficit	(1,104,852)	(1,055,461)
Net Financing Provided from General Revenues	1,064,694	1,122,448
Net Assets, End of Year	$ 328,827	$ 367,014

Contingent Liabilities and Contractual Obligations (Notes 10 and 11)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED MARCH 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Annual Deficit	$ (1,082,627)	$ (1,104,852)	$ (1,055,461)
Acquisition of Tangible Capital Assets	(39,007)	(24,027)	(53,611)
Amortization of Tangible Capital Assets (Note 9)	58,572	37,970	12,417
Loss on Sale of Tangible Capital Assets		75	33
Write-downs of Tangible Capital Assets		443	706
Change in Spent Deferred Capital Contributions (Note 8)		2,766	-
Net Financing Provided from General Revenues		1,064,694	1,122,448
(Increase) Decrease in Net Debt		$ (22,931)	$ 26,532
Net Debt, Beginning of Year		(24,647)	(51,179)
Net Debt, End of Year		$ (47,578)	$ (24,647)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017

	2017	2016 (Restated Note 3)
	(in thousands)	
Operating Transactions		
Annual Deficit	$ (1,104,852)	$ (1,055,461)
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 9)	37,970	12,417
Loss on Write Down of Tangible Capital Assets	443	706
Loss on Disposal of Tangible Capital Assets	75	33
	38,488	13,156
Decrease (Increase) in Accounts Receivable	7,186	(21,334)
Increase in Accounts Payable and Accrued Liabilities	17,692	7,028
Decrease in Deferred Revenue	(41)	(49)
Decrease in Unspent Deferred Capital Contribution (Note 8)	(296)	-
Increase in Spent Deferred Capital Contributions (Note 8)	2,766	-
Cash Applied to Operating Transactions	(1,039,057)	(1,056,660)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 9)	(24,027)	(54,049)
Refund Received for Prior Year's Acquisition	-	438
Cash Applied to Capital Transactions	(24,027)	(53,611)
Investing Transactions		
Repayment of Advances	2	2
Cash Provided by Investing Transactions	2	2
Financing Transactions		
Net Financing Provided from General Revenues	1,064,694	1,122,448
Cash Provided by Financing Transactions	1,064,694	1,122,448
Increase in Cash and Cash Equivalents	1,612	12,179
Cash and Cash Equivalents at Beginning of Year	73,235	61,056
Cash and Cash Equivalents at End of Year	$ 74,847	$ 73,235

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 AUTHORITY AND PURPOSE

The Minister of Justice and Solicitor General operates under the authority of the *Government Organization Act* and its regulations, and has been designated responsibilities for various acts. Below are the organizations that form the Ministry of Justice and Solicitor General and the authority under which each organization operates.

Organization	Authority
Department of Justice and Solicitor General	*Government Organization Act*
Human Rights Education and Multiculturalism Fund	*Alberta Human Rights Act*
Victims of Crime Fund	*Victims of Crime Act*
Office of the Public Guardian And Trustee	*Adult Guardianship and Trusteeship Act/ Public Trustee Act/Personal Directive Act*

The Ministry's purpose is to lead a fair and innovative justice system, ensure effective policing and support victims of crime.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity and Method of Consolidation

The reporting entity is the ministry for which the Minister of Justice and Solicitor General is accountable. The accounts of the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund are consolidated on a line-by-line basis.

The Office of the Public Guardian and Trustee administers client trust and estates as required under the *Public Trustee Act*. As a trust fund, the accounts are not consolidated.

The accounts of government sector entities, except those designated as government business enterprises, are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting except for payments on Motor Vehicle Accident Claims judgment debts and Maintenance Enforcement fees, penalties and subrogated revenues, which are recorded when received. Revenues for Motor Vehicle Accident Claims fees are reported when the service has been rendered.

Government Transfers
Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred capital contributions or deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the ministry complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the ministry meets the eligibility criteria (if any).

Deferred Revenue
Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Credit or Recovery
Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the ministry's credit or recovery initiatives.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Expenses

Directly Incurred
Directly incurred expenses are those costs the ministry has primary responsibility and accountability for.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime, guarantees and indemnities.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others
Services contributed by other related entities in support of the ministry's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Valuation of Financial Assets and Liabilities
Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Financial Assets
Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable
Accounts receivable are recorded at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Liabilities
Liabilities represent present obligations of the ministry to external organizations and individuals arising from transactions or events occurring before the year end. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:
- all financial claims payable by the ministry at year end;
- accrued employee vacation entitlements; and
- contingent liabilities where future liabilities are likely.

Non-Financial Assets
Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

(a) are normally employed to deliver government services;
(b) may be consumed in the normal course of operations; and
(c) are not for sale in the normal course of operations.

Non-financial assets of the ministry are limited to tangible capital assets.

Tangible Capital Assets
Tangible capital assets of the ministry are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged when the tangible capital asset is put into service.

When tangible capital assets are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Assets acquired by right are not included.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)
(in thousands)

The areas subject to measurement uncertainty include:

- Accounts receivable recorded as $172,071 (2016 - $179,257 restated) include fines of $124,795 (2016 - $114,866). Accounts receivable excludes certain outstanding federal statute and provincial statute fines that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding fines expected to be satisfied by other means of $16,033 (2016 - $13,357) are based on the actual percentage satisfied in this manner from April 1, 2016 to March 31, 2017 and have been deducted from total outstanding fines. Changes in the proportion of fines satisfied by other means may have a material effect on future operating results.

- Provision for doubtful accounts, recorded as $12,654 (2016 - $11,580), is based on the actual percentage of fines written off from April 1, 2016 to March 31, 2017 and the assumption that the total receivable for Abandoned and Seized Vehicles as of March 31, 2017 will not be collected.

- Accounts payable and accrued liabilities, recorded as $291,999 (2016 - $274,307 restated), include an estimate of $60,068 (2016 - $54,301) for unsettled claims under the Motor Vehicle Accident Claims Program based on a calculated settlement value per claim. Changes to the settlement value may have a material effect on future operating results (Note 12). Accrued liabilities also include an estimate of $15,267 (2016 - $9,765) for financial benefits, $10,862 (2016 - $8,602) for supplemental financial benefits, and $6,043 (2016 - $6,889) for compensation claims under the Victims of Crime Fund (Note 13).

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes (cont'd)

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.

- **PS 3450 Financial Instruments (effective April 1, 2019)**
  The ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statement Presentation, and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 GOVERNMENT REORGANIZATION

(in thousands)

Effective April 1, 2016, responsibility for the Parks Conservation Enforcement program was transferred to the Ministry of Environment and Parks.

The Ministry of Human Services was restructured and the responsibility for the Office of the Public Guardian and Trustee Services was transferred to the Ministry of Justice and Solicitor General as a result of restructuring of government ministries on January 19, 2017.

Comparatives for 2016 have been restated as if the Ministry has always been assigned with its current responsibilities.

Net assets on March 31, 2016 are made up as follows:

	As Previously Reported	Transfer from Human Services	Transfer to Environment and Parks	As Restated
Revenues	$ 328,984	$ 6,840	$ -	$ 335,824
Expenses	1,364,853	29,403	(2,971)	1,391,285
Annual Deficit	(1,035,869)	(22,563)	2,971	(1,055,461)
Net Financing Provided from General Revenues	1,102,086	23,333	(2,971)	1,122,448
Adjustment to Net Assets (Note 17)	33	-	-	33
Net Assets at March 31, 2015	294,577	5,417	-	299,994
Net Assets at March 31, 2016	$ 360,827	$ 6,187	$ -	$ 367,014
(Net Debt) Net Financial Assets at March 31, 2015	$ (56,537)	$ 5,358	$ -	$ (51,179)

NOTE 4 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and Cash Equivalents consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2017, securities held by CCITF have a time weighted return of 0.89% (2016 – 0.83%) per annum. Of the $74,847 (2016 - $73,235) in Cash and Cash Equivalents, $70,471 (2016 - $55,391) and $3,530 (2016 - $3,891) relate to the Victims of Crime Fund and the Human Rights Education and Multiculturalism Fund, respectively, and can only be used for expenses related to those funds.

NOTE 5 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2017				2016
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated Note 3)
Government of Canada	$ 13,701	$ -	$ -	$ 13,701	$ 28,654
Fines – Provincial	33,296	3,793	2,962	26,541	26,141
Fines – Federal	21,507	4,556	3,180	13,771	14,796
Ticket Processing	37,297	1,211	1,184	34,902	29,400
Fines – Late Payment Penalty	30,552	-	1,888	28,664	25,866
Surcharge	32,695	6,473	985	25,237	23,782
Other	31,710	-	2,455	29,255	30,618
	$ 200,758	$ 16,033	$ 12,654	$ 172,071	$ 179,257

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2017	2016 (Restated Note 3)
PPSA Service Agreement	$ 63,734	$ 61,092
Motor Vehicle Acident Claim	60,068	54,301
Financial Benefits Program	32,172	25,256
Other Program Expenses	136,025	133,658
	$ 291,999	$ 274,307

NOTE 7 DEFERRED REVENUE

(in thousands)

	2017	2016
Balance, Beginning of Year	$ 2,558	$ 2,607
Cash Contribution Received/Receivable During Year	2,524	2,558
Less Amounts Recognized as Revenue	(2,565)	(2,607)
Balance, End of Year	$ 2,517	$ 2,558

The end of year balance includes deferred revenue of $1,617 (2016 - $1,498) for motor vehicle accident claim fees collected pursuant to the *Motor Vehicle Accident Claims Act*, $847 (2016 - $851) for fees and licenses collected pursuant to the *Security Services and Investigators Act*, $48 (2016 - $52) for the Forensic and DNA Research program and $5 (2016 - $157) for Enhanced Police Agreement.

NOTE 8 DEFERRED CAPTIAL CONTRIBUTIONS

(in thousands)

	2017	2016
Unspent Deferred Capital Contribution and Transfers (a)	$ -	$ 296
Spent Deferred Capital Contribution and Transfers (b)	2,766	-
	$ 2,766	$ 296

(a) Unspent Deferred Capital Contribution and Transfers

Balance at Beginning of Year	$ 296	$ 296
Cash Contributions Received/Receivable During Year	2,678	-
Transferred to Spent Deferred Capital Contributions	(2,974)	-
Balance at End of Year	$ -	$ 296

(b) Spent Deferred Capital Contribution and Transfers

Balance at Beginning of Year	$ -	$ -
Transferred from Unspent Deferred Capital Contributions	2,974	-
Less Amounts Recognized as Revenue	(208)	-
Balance at End of Year	$ 2,766	$ -

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS

(in thousands)

	Equipment[1]	Computer Hardware and Software	Work in Progress[2]	2017 Total	2016 Total (Restated Note 3)
Estimated Useful Life	3 - 10 years	5 -10 years			
Historical Cost					
Beginning of Year	$ 34,948	$ 115,058	$ 369,816	$ 519,822	$ 474,028
Prior Year Adjustments	-	-	-	-	(6,550)
Additions	11,271	1,472	11,284	24,027	54,049
Recategorization	378,605	831	(379,436)	-	-
Transfer-In	(1,171)	178	2,092	1,099	87
Disposals, Including Write-downs [3]	(822)	(227)	(443)	(1,492)	(1,792)
	422,831	117,312	3,313	543,456	519,822
Accumulated Amortization					
Beginning of Year	28,283	99,878	-	128,161	122,855
Prior Year Adjustments	-	-	-	-	(5,406)
Amortization Expense	28,189	9,781	-	37,970	12,417
Transfer-In /(Out)	(1,146)	274	-	(872)	54
Effect of Disposals	(747)	(227)	-	(974)	(1,759)
	54,579	109,706	-	164,285	128,161
Net Book Value at March 31, 2017	$ 368,252	$ 7,606	$ 3,313	$ 379,171	
Net Book Value at March 31, 2016	$ 6,665	$ 15,180	$ 369,816		$ 391,661

(1) Equipment includes vehicles, office furnishings and other equipment.
(2) Work in progress includes $2,087 (2016 - $0) for the One Information Management Technology (One IMT) project; $454 (2016 - $0) for Alberta Victims Assistance Tracking and Reporting (AVATAR) system and $772 (2016 - $0) for Telephony System and other projects.
(3) Disposals include a write-off $443 (2016 - $705).

NOTE 10 CONTINGENT LIABILITIES

(in thousands)

The ministry is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2017, accruals totaling $0 (2016 - $1) have been recorded as a liability. The total amount claimed for all likely claims is $897,604 (2016 - $896,077 restated). The accrual provided for these claims represents the ministry's portion of the liability. Included in the total likely claims are claims covered in whole or in part by the Alberta Risk Management Fund. The resulting additional liability, if any, from likely claims in excess of the amounts accrued is not determinable.

The ministry has been named in one hundred and sixty one (2016 - one hundred and seventy three) claims of which the outcome is not determinable.

Of these claims, one hundred and forty eight (2016 - one hundred and fifty five) have specified amounts totaling $132,841 (2016 - $249,045 restated). The remaining thirteen (2016 - eighteen) claims have no amounts specified. Included in the total claims, one hundred and thirty nine claims totaling $116,362 (2016 - one hundred and forty two claims totaling $159,340 restated) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Based on the *Public Trustee Act*, the amount outstanding on a client's guaranteed account as administered by the Office of the Public Guardian and Trustee (OPGT) is a charge against the Common Fund Assets of the Public Trustee and is unconditionally guaranteed by the Crown. As at March 31, 2017, based on the financial statements of the OPGT, the outstanding balance of the Client Guaranteed Accounts is $432,373 (2016 - $432,061).

Within the provision of the *Public Trustee Act*, the OPGT remits unclaimed estate monies, which is reported as general revenue of the ministry. If entitled beneficiaries are subsequently located, previously unclaimed estate monies are distributed to the beneficiaries.

NOTE 11 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2017, the ministry has contractual obligations under operating leases, contracts, and programs totaling $1,159,174 (2016 - $1,026,208). This includes a commitment for the Provincial Police Service Agreement (PPSA) of $719,254 (2016 - $710,408). The PPSA with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Total
2017-18	$ 519,921
2018-19	363,010
2019-20	264,006
2020-21	7,018
2021-22	4,622
Thereafter	597
	$ 1,159,174

NOTE 12 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM

(in thousands)

Personal Injury Settlements

The Motor Vehicle Accident Claims Program is a publicly administered program that pays for judgments arising from motor vehicle accidents involving uninsured or unidentified vehicles in Alberta. The program operates under the authority of the *Motor Vehicle Accident Claims Act*. The *Act* states that in order for claimants involved in motor vehicle accidents with uninsured or unidentified vehicles to be entitled to compensation, the Minister of Justice and Solicitor General must receive a court judgment. In accordance with the *Act*, liabilities for personal injury claims are accrued when a court ordered judgment is received.

At March 31, 2017, accrued liabilities for motor vehicle accident claims for which a court order was received amounted to $247 (2016 - $632), which are included in the total program expenditures of $28,798 (2016 - $25,670). There were one thousand and forty six unsettled motor vehicle accident claims under this program at March 31, 2017 (2016 - one thousand and two claims) amounting to $226,157 (2016 - $192,584). Of these unsettled claims, it was estimated that approximately $56,776 (2016 - $50,946) may arise from court ordered judgments, to be received, and have been recorded as a liability.

NOTE 12 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM (Cont'd)

(in thousands)

Supplementary Medical and Rehabilitation Expenses

The estimated liability for supplementary medical and rehabilitation expenses on approved applications filed up to March 31, 2017, is $3,293 (2016 - $3,354) and has been recorded as a liability. As at March 31, 2017, the maximum amount that may be payable to or on behalf of entitled applicants pursuant to the limits set in Section 17 of the *Motor Vehicle Accident Claims Act* was approximately $7,753 (2016 - $7,755).

NOTE 13 FINANCIAL BENEFITS PROGRAM

(in thousands)

Financial Benefits

As at March 31, 2017, there were two thousand two hundred fifty one (2016 - one thousand six hundred twenty nine) active applications for financial benefits.

Financial Benefits liability of $15,267 (2016 - $9,765) is estimated based on historical decision patterns, average award values, and case progress at year end. Additional information may be required to determine the amount for individual cases under regulations of the *Victims of Crime Act*.

Supplemental Benefits

As at March 31, 2017, twenty three (2016 - nineteen) eligible recipients received a monthly payment of $1,000 for supplemental benefits.

Supplemental benefits liability of $10,862 (2016 - $8,602) is estimated using a projection of monthly payments and statistical life expectancy figures. In addition, a present-value methodology has also been applied in calculating this estimated liability. This methodology projects benefit cost streams into the future and discounts them to present-value using a discount rate which reflects the current return on assets used to fund the liability. The injuries of a recipient receiving a supplemental financial benefit must be reviewed every 12 months to determine whether the severity of injuries is still in accordance with regulations under the *Victims of Crime Act*.

Former Crimes Compensation Board

As at March 31, 2017, twenty eight (2016 - twenty nine) eligible recipients received a monthly payment for compensation claims, assumed from the former Crimes Compensation Board.

Compensation claims liability of $6,043 (2016 - $6,889) is estimated using a projection of monthly payments and statistical life expectancy figures. The same present-value methodology described above for supplemental benefits has been used to calculate this estimated liability. The payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount.

NOTE 14 BENEFIT PLANS

(in thousands)

The ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $79,277 for the year ended March 31, 2017 (2016 - $76,210). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of $402,033 (2015 - surplus $299,051), the Public Service Pension Plan reported a surplus of $302,975 (2015 - deficiency $133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $50,020 (2015 - deficiency $16,305)

The ministry participates in the Provincial Judges and Masters in Chambers Pension Plan. The expenses for this pension plan are $15,775 for the year ended March 31, 2017 (2016 - $15,489).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of $101,515 (2016 - surplus $83,006) and the Management, Opted Out and Excluded Plan a surplus of $31,439 (2016 - surplus of $29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 15 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The ministry administers trust funds that are regulated funds consisting of public money over which the legislature has no power of appropriation. Because the province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the ministry's financial statements.

As at March 31, 2017 trust funds under administration were as follows:

	2017	2016 (Restated Note 3)
Various Court Offices and Fines Distribution Trust[1]	$ 166,716	$ 160,831
Maintenance Enforcement Trust[2]	11,657	10,788
Solicitors Trust[3]	11,534	9,429
Institutional Trust[4]	1,205	1,152
Public Trustee, Estates and Trusts[5]	606,491	603,780
	$ 797,603	$ 785,980

(1) The various court offices receive and disburse payments for fines, bail and other payments involving civil litigants. Trust fund receipts exceeded trust fund disbursements in 2017 by $5,885 (2016 - $22,766).

(2) The Maintenance Enforcement Program receives and disburses court ordered maintenance and child support. Trust receipts exceeded trust fund disbursements in 2017 by $869 (2016 - trust fund disbursements exceeded trust fund receipts by $335).

(3) The Solicitors Trust is comprised of civil law funds held in trust and monies collected under the *Victims Restitution and Compensation Payment Act*. Total funds held in trust at March 31, 2017 included $206 (2016 - $200) of civil law funds and $11,333 (2016 - $9,229) of *Victims Restitution and Compensation Payment Act* funds. Trust fund receipts exceeded trust fund disbursements in 2017 by $2,105 (2016 - $1,794).

(4) Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2017, the amount of the trust funds held under administration was $1,205 (2016 - $1,152) which was comprised of inmate trust funds of $503 (2016 - $509) and inmate welfare fund equity of $702 (2016 - $643).

(5) The Office of the Public Guardian and Trustee administers the estates of dependent adults, decedents and minors. A more comprehensive accounting can be found in the Office of the Public Guardian and Trustee, Estates and Trusts Financial Statements.

NOTE 16 PAYMENTS UNDER AGREEMENT

(in thousands)

The ministry has entered into agreements to deliver programs and services that are fully funded by the Government of Northwest Territories (GNWT), the Government of Nunavut (GN), the Government of Saskatchewan (GS), the Government of Canada (GC), and the Government of Yukon Territory (Yukon). Costs under these agreements are incurred by the ministry under authority in Section 25 of the *Financial Administration Act*. Accounts receivable includes $25 (2016 - $24) from the GNWT, $25 (2016 - $13) from the GN, $9 (2016 - $0) from the GS, $73 (2016 - $142) from the GC, and $38 (2016 - $28) from Yukon relating to payments under agreement.

The agreements with the GNWT, the GN and the GS are for services provided by the Medical Examiner's Office. Services include examination of remains, medico-legal autopsy, toxicology analysis, and expert testimony in court or at a coroner's inquest.

The agreement with the GC is for enhanced French language training in order to prepare Alberta Provincial Court judges to sit on the Itinerant Francophone Provincial Court Bench.

The agreement with the Yukon is for the purpose of conducting investigations of Serious Incidents respecting members of the Territorial Police Service.

Amounts paid and payable under agreements with program sponsors are as follows:

	2017	2016
Medical Examiner Services – GNWT	$ 149	$ 113
Medical Examiner Services – GN	46	29
Medical Examiner Services – GS	12	-
Enhanced French Language Training – GC	224	176
Territorial Police Services - Yukon	169	230
	$ 600	$ 548

The ministry has also entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of the Department of Justice Canada (Justice Canada). Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the ministry under authority in Section 25 of the *Financial Administration Act*. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements. For the year ended March 31, 2017, amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement are $2,832 (2016 - $2,276) and are reflected in the Statement of Financial Position.

NOTE 17 ADJUSTMENTS TO NET ASSETS

(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2017	2016
Non-Grant Transfer of Tangible Capital Asset from other Government Departments/Entities	$ 1,971	$ 33

NOTE 18 SUBSEQUENT EVENTS

(in thousands)

Effective April 1, 2017, responsibility for the Alberta First Responders Radio Communication System was transferred to the Ministry of Service Alberta.

The estimated financial effect of the transfer on the Statement of Operations in 2017-18 is as follows:

	2017-18
Revenue	$ 8,427
Operating Expenses	$ 47,545
Capital Investment	$ 20,858

The estimated financial effect on the Statement of Financial Position may be significant but is uncertain at this stage.

On April 5, 2017, the Treasury Board of Canada approved a pay package for regular members of the RCMP for 2015 and 2016 with a 1.25% increase dated January 1, 2015 and 1.25% dated January 1, 2016 with an additional market adjustment allowance of 2.3% dated April 1, 2016. The estimate financial impact will be $9 million retroactively in 2016-17 and $7 million annually in 2017-18.

NOTE 19 COMPARATIVE FIGURES

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

NOTE 20 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approve these financial statements.

Schedule 1

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED REVENUES
YEAR ENDED MARCH 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Government Transfers			
Federal Government Grants			
Youth Justice Program	$ 14,951	$ 14,960	$ 14,367
Legal Aid	10,920	12,393	10,808
Other	7,471	7,523	7,686
	33,342	34,876	32,861
Premiums, Fees and Licences			
Motor Vehicle Accident Claims Fees	23,400	22,447	22,849
Court Fees	20,857	23,379	21,160
Security Services and Investigator Fees	1,800	1,665	1,572
Other	5,616	5,505	7,348
	51,673	52,996	52,929
Investment Income	970	968	1,136
Other Revenue			
Fines	136,007	128,641	121,845
Surcharges	46,800	48,198	47,561
Fines - Late Payment Penalty	26,500	36,202	34,160
Maintenance Enforcement Program	14,977	13,996	14,356
Recoveries for Enhanced Policing Services	8,429	7,533	7,726
Motor Vehicle Accident Recoveries	6,600	7,389	7,635
Miscellaneous	17,996	21,952	15,615
	257,309	263,911	248,898
Total Revenues	$ 343,294	$ 352,751	$ 335,824

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED CREDIT OR RECOVERY
YEAR ENDED MARCH 31, 2017

	2017			
	Authorized	Actual Revenue Recognized	Total Revenue Received/ Receivable	(Shortfall)/ Excess
	(in thousands)			
Maintenance Enforcement [2]	$ 5,877	$ 5,092	$ 5,092	$ (785)
Provincial Civil Claims [3]	1,200	1,601	1,601	401
Ticket Processing [4]	40,030	40,030	40,030	-
Edmonton Regional Airport Authority [5]	3,460	2,985	2,985	(475)
	$ 50,567	$ 49,708	$ 49,708	$ (859) [1]

This Schedule is required by Section 24(3) of the Financial Administration Act.

(1) The revenue of each credit or recovery is included in the Statement of Operations and Schedule 1.

(2) Maintenance Enforcement revenues represent deterrent penalties and service fees to promote timely payment of maintenance to improve and expand services available for clients.

(3) Provincial Civil Claims revenues represent funding from fees levied to commence action in excess of seven thousand five hundred dollars in Provincial Court. These revenues are dedicated towards the costs of processing these claims.

(4) Ticket Processing revenues represent the Province's share of *Traffic Safety Act* ticket revenue used to fund expenses incurred in processing and handling violation tickets issued under the *Traffic Safety Act*.

(5) Edmonton Regional Airport Authority revenues are received on a full cost recovery basis from the Edmonton Regional Airport Authority for policing services provided to the Edmonton International Airport under the Provincial Police Service Agreement.

Schedule 3

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
YEAR ENDED MARCH 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Salaries, Wages and Employee Benefits	$ 736,917	$ 759,295	$ 749,028
Supplies and Services	393,851	393,377	388,667
Grants	214,485	223,976	208,812
Amortization of Tangible Capital Assets	58,572	37,970	12,417
Other	22,096	42,985	32,361
	$ 1,425,921	$ 1,457,603	$ 1,391,285

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
RELATED PARTY TRANSACTIONS
YEAR ENDED MARCH 31, 2017

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include key management personnel in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2017	2016 (Restated Note 3)
	(in thousands)	
Revenues		
Ministry of Energy	$ 308	$ 308
Expenses – Directly Incurred		
Service Alberta	$ 11,354	$ 11,171
Other Services	1,402	1,343
	$ 12,756	$ 12,514
Receivable from	$ 2,151	$ 1,819
Payable to	$ -	$ 18
Contractual Obligations	$ 715	$ 988

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the consolidated financial statements but are disclosed in Schedule 5.

	Other Entities	
	2017	2016 (Restated Note 3)
	(in thousands)	
Revenues		
Legal Services	$ 44,027	$ 46,021
Expenses – Indirectly Incurred		
Accommodation	$ 159,393	$ 157,061
Service Alberta	20,520	19,842
Other Services	219	923
	$ 180,132	$ 177,826

Schedule 5

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED ALLOCATED COSTS
YEAR ENDED MARCH 31, 2017

	2017				2016
		Expenses - Incurred by Others			
Program	Expenses[1]	Accommodation Costs[2]	Business Services[3]	Total Expenses	Total Expenses (Restated Note 3)
		(in thousands)			
Ministry Support Services	$ 55,738	$ 6,147	$ 20,739	$ 82,624	$ 82,540
Resolution and Court Administration Services	208,243	57,065		265,308	264,841
Legal Services	53,999	2,553		56,552	58,611
Alberta Crown Prosecution Service	93,031	7,400		100,431	103,363
Support for Legal Aid	78,320	176		78,496	66,201
Justice Services	70,465	6,550		77,015	76,364
Public Security	535,204	17,127		552,331	511,134
Correctional Services	285,143	60,867		346,010	334,414
Alberta Human Rights	8,401	863		9,264	8,962
Motor Vehicle Accident Claims	28,798	296		29,094	25,960
Victims of Crime Fund	40,261	349		40,610	36,711
	$ 1,457,603	$ 159,393	$ 20,739	$ 1,637,735	$ 1,569,101

(1) Expenses - Directly Incurred as per Consolidated Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 4, allocated by square meters.

(3) Costs shown for Business Services include charges for IT support, internal audit services and other services on Schedule 4.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL

Financial Statements

Year Ended March 31, 2017

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL

Financial Statements

Year Ended March 31, 2017

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Debt

Statement of Cash Flows

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Schedule 1 - Revenues

Schedule 2 - Credit or Recovery

Schedule 3 - Expenses – Directly Incurred Detailed by Object

Schedule 4 - Lapse/Encumbrance

Schedule 5 - Lottery Fund Estimates

Schedule 6 - Salary and Benefits Disclosure

Schedule 7 - Related Party Transactions

Schedule 8 - Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Justice and Solicitor General, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Justice and Solicitor General as at March 31, 2017, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 6, 2017

Edmonton, Alberta

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF OPERATIONS
Year ended March 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Revenues (Schedule 1)			
Government Transfers			
Federal Government Grants	$ 33,342	$ 34,319	$ 32,408
Premiums, Fees and Licences	51,598	52,954	52,887
Investment Income	395	387	690
Other Revenue	210,499	215,553	200,962
	295,834	303,213	286,947
Expenses - Directly Incurred (Note 2(b), Schedule 3, 4, and 8)			
Programs			
Ministry Support Services	60,887	55,738	56,348
Resolution and Court Administration Services	205,353	208,243	208,439
Legal Services	54,847	53,999	56,112
Alberta Crown Prosecution Service	90,980	93,031	96,010
Support for Legal Aid	68,500	78,320	66,000
Justice Services	70,971	70,465	69,418
Public Security	544,870	535,204	494,014
Correctional Services	266,801	285,143	274,783
Alberta Human Rights	8,255	8,364	8,073
Motor Vehicle Accident Claims	21,058	28,798	25,670
	1,392,522	1,417,305	1,354,867
Annual Deficit	$ (1,096,688)	$ (1,114,092)	$ (1,067,920)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF FINANCIAL POSITION
As at March 31, 2017

	2017	2016 (Restated Note 3)
	(in thousands)	
Financial Assets		
Cash and Cash Equivalents	$ 846	$ 13,954
Accounts Receivable (Note 4)	141,672	151,069
Advances	20	22
	142,538	165,045
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	255,787	245,784
Deferred Revenue (Note 6)	2,517	2,558
Unspent Deferred Capital Contributions (Note 7)	-	296
	258,304	248,638
Net Debt	(115,766)	(83,593)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	378,707	391,195
Net Assets Before Spent Deferred Capital Contributions	262,941	307,602
Spent Deferred Capital Contributions (Note 7)	2,766	-
Net Assets	$ 260,175	$ 307,602
Net Assets, Beginning of Year	$ 307,602	$ 253,039
Adjustment to Net Assets (Note 15)	1,971	33
Annual Deficit	(1,114,092)	(1,067,920)
Net Financing Provided from General Revenues	1,064,694	1,122,450
Net Assets, End of Year	$ 260,175	$ 307,602

Contingent Liabilities and Contractual Obligations (Notes 9 and 10)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF CHANGE IN NET DEBT
Year ended March 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Annual Deficit	$ (1,096,688)	$ (1,114,092)	$ (1,067,920)
Acquisition of Tangible Capital Assets	(38,982)	(24,027)	(53,157)
Amortization of Tangible Capital Assets (Note 8)	58,503	37,968	12,416
Loss on Sale of Tangible Capital Assets		75	33
Write-downs of Tangible Capital Assets		443	705
Change in Spent Deferred Capital Contributions (Note 7)		2,766	-
Net Financing Provided from General Revenues		1,064,694	1,122,450
(Decrease) Increase in Net Debt		$ (32,173)	$ 14,527
Net Debt, Beginning of Year		(83,593)	(98,120)
Net Debt, End of Year		$ (115,766)	$ (83,593)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF CASH FLOWS
Year ended March 31, 2017

	2017	2016 (Restated Note 3)
	(in thousands)	
Operating Transactions		
Annual Deficit	$ (1,114,092)	$ (1,067,920)
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 8)	37,968	12,416
Loss on Write Down of Tangible Capital Assets	443	705
Loss on Disposal of Tangible Capital Assets	75	33
	38,486	13,154
Decrease (Increase) in Accounts Receivable	9,397	(16,178)
Increase in Accounts Payable and Accrued Liabilities	10,003	4,933
Decrease in Deferred Revenue	(41)	(49)
Decrease in Unspent Deferred Capital Contribution (Note 7)	(296)	-
Increase in Spent Deferred Capital Contributions (Note 7)	2,766	-
Cash Applied to Operating Transactions	(1,053,777)	(1,066,060)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	(24,027)	(53,595)
Refund Received for Prior Year's Acquisition	-	438
Cash Applied to Capital Transactions	(24,027)	(53,157)
Investing Transactions		
Repayment of Advances	2	2
Cash Provided by Investing Transactions	2	2
Financing Transactions		
Net Financing Provided from General Revenues	1,064,694	1,122,450
Cash Provided by Financing Transactions	1,064,694	1,122,450
(Decrease) Increase in Cash and Cash Equivalents	(13,108)	3,235
Cash and Cash Equivalents at Beginning of Year	13,954	10,719
Cash and Cash Equivalents at End of Year	$ 846	$ 13,954

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 AUTHORITY AND PURPOSE

The Department of Justice and Solicitor General operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to serve Albertans by promoting safe and secure communities through effective law enforcement, correctional services, and access to the courts and other methods of dispute resolution. The Department also provides legal and related strategic services to the Government of Alberta, and protects human rights.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Justice and Solicitor General, which is part of the Ministry of Justice and Solicitor General and for which the Minister of Justice and Solicitor General is accountable. These financial statements include the activities of the Motor Vehicle Accident Claims program (a statutory appropriation).

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from (for) general revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenue
All revenues are reported on the accrual basis of accounting except for payments on Motor Vehicle Accident Claims judgment debts and Maintenance Enforcement fees, penalties and subrogated revenues, which are recorded when received. Revenues for Motor Vehicle Accident Claims fees are reported when the service has been rendered.

Government Transfers
Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recognized as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the department's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the department complies with its communicated uses of these transfers.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Government Transfers (Cont'd)
All other government transfers, without terms for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

Deferred Revenue
Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Credit or Recovery
Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the government estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the department's credit or recovery initiatives.

Expenses

Directly Incurred
Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime, guarantees and indemnities.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others
Services contributed by other related entities in support of the department's operations are not recognized and are disclosed in Schedule 7 and allocated to programs in Schedule 8.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities
Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; advances, accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial Assets
Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable
Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities
Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets
Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

a) are normally employed to deliver government services;
b) may be consumed in the normal course of operations; and
c) are not for sale in the normal course of operations.

Non-financial assets of the department are limited to tangible capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Non-Financial Assets (Cont'd)

Tangible Capital Assets

Tangible capital assets of the department are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged when the tangible capital asset is put into service.

When tangible capital assets are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind.

Assets acquired by right are not included.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty include:

- Accounts receivable, reported as $141,672 includes fines of $92,100 (2016 - $84,979). Accounts receivable excludes certain outstanding federal statute and provincial statute fines that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding fines expected to be satisfied by other means of $9,560 (2016 - $8,157) are based on the actual percentage satisfied in this manner from April 1, 2016 to March 31, 2017 and have been deducted from total outstanding fines. Changes in the proportion of fines satisfied by other means may have a material effect on future operating results.

- The provision for doubtful accounts, reported as $11,669 (2016 - $10,675), is based on the actual percentage of fines written off from April 1, 2016 to March 31, 2017 and the assumption that the total receivable for Abandoned and Seized Vehicles as of March 31, 2017 will not be collected.

- Accounts payable and accrued liabilities, reported as $255,787 (2016 - $245,784 restated) include an estimate of $60,068 (2016 - $54,301) for unsettled claims under the Motor Vehicle Accident Claims Program based on a calculated settlement value per claim. Changes to the settlement value may have a material effect on future operating results (Note 11).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000 and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.

- **PS 3450 Financial Instruments (effective April 1, 2019)**
  Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The department has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 GOVERNMENT REORGANIZATIONS

(in thousands)

Effective April 1, 2016, responsibility for the Parks Conservation Enforcement program was transferred to the Ministry of Environment and Parks.

The Ministry of Human Services was restructured and the responsibility for the Office of the Public Guardian and Trustee Services was transferred to the Department of Justice and Solicitor General as a result of restructuring of government ministries on January 19, 2017.

Comparatives for 2016 have been restated as if the Department has always been assigned with its current responsibilities.

Net assets on March 31, 2016 are made up as follows:

	As Previously Reported	Transfer from Human Services	Transfer to Environment and Parks	As Restated
Revenues	$ 280,107	$ 6,840	$ -	$ 286,947
Expenses	1,328,435	29,403	(2,971)	1,354,867
Annual Deficit	$ (1,048,328)	$ (22,563)	$ 2,971	$ (1,067,920)
Net Financing Provided from General Revenues	1,102,088	23,333	(2,971)	1,122,450
Adjustment to Net Assets (Note 15)	33	-	-	33
Net Assets at March 31, 2015	247,622	5,417	-	253,039
Net Assets at March 31, 2016	$ 301,415	$ 6,187	$ -	$ 307,602
(Net Debt) Net Financial Assets at March 31, 2015	$ (103,478)	$ 5,358	$ -	$ (98,120)

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2017				2016
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated Note 3)
Government of Canada	$ 12,438	$ -	$ -	$ 12,438	$ 27,949
Fines – Provincial	33,296	3,793	2,962	26,541	26,141
Fines – Federal	21,507	4,556	3,180	13,771	14,797
Ticket Processing	37,297	1,211	1,184	34,902	29,399
Fines – Late Payment Penalty	30,552	-	1,888	28,664	25,866
Other	27,811	-	2,455	25,356	26,917
	$ 162,901	$ 9,560	$ 11,669	$ 141,672	$ 151,069

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2017	2016 (Restated Note 3)
PPSA Service Agreement	$ 63,734	$ 61,092
Motor Vehicle Acident Claim	60,068	54,301
Other Program Expenses	131,985	130,391
	$ 255,787	$ 245,784

NOTE 6 DEFERRED REVENUE

(in thousands)

	2017	2016
Balance, Beginning of Year	$ 2,558	$ 2,607
Cash Contributions Received/Receivable During Year	2,524	2,558
Less Amounts Recognized as Revenue	(2,565)	(2,607)
Balance, End of Year	$ 2,517	$ 2,558

The end of year balance includes deferred revenue of $1,617 (2016 - $1,498) for motor vehicle accident claim fees collected pursuant to the *Motor Vehicle Accident Claims Act*, $847 (2016 - $851) for fees and licenses collected pursuant to the *Security Services and Investigators Act*, $48 (2016 - $52) for the Forensic and DNA Research program and $5 (2016 - $157) for Enhanced Policing Agreement.

NOTE 7 DEFERRED CAPITAL CONTRIBUTIONS

(in thousands)

	2017	2016
Unspent Deferred Capital Contribution and Transfers (a)	$ -	$ 296
Spent Deferred Capital Contribution and Transfers (b)	2,766	-
	$ 2,766	$ 296

(a) Unspent Deferred Capital Contribution and Transfers

Balance at Beginning of Year	$ 296	$ 296
Cash Contributions Received/Receivable During Year	2,678	-
Transferred to Spent Deferred Capital Contributions	(2,974)	-
Balance at End of Year	$ -	$ 296

(b) Spent Deferred Capital Contribution and Transfers

Balance at Beginning of Year	$ -	$ -
Transferred from Unspent Deferred Capital Contributions	2,974	-
Less Amounts Recognized as Revenue	(208)	-
Balance at End of Year	$ 2,766	$ -

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2017

NOTE 8 TANGIBLE CAPITAL ASSETS

(in thousands)

	Equipment[1]	Computer Hardware and Software	Work in Progress[2]	2017 Total	2016 Total (Restated Note 3)
Estimated Useful Life	3 - 40 years	3 -10 years			
Historical Cost					
Beginning of Year	$ 34,931	$ 114,645	$ 369,362	$ 518,938	$ 473,597
Prior Year Adjustments		-	-	-	(6,550)
Additions	11,271	1,472	11,284	24,027	53,595
Recategorization	378,605	831	(379,436)	-	-
Transfer-In /(Out)	(1,172)	179	2,092	1,099	87
Disposals, Including Write-downs [3]	(822)	(227)	(443)	(1,492)	(1,791)
	422,813	116,900	2,859	542,572	518,938
Accumulated Amortization					
Beginning of Year	28,278	99,465	-	127,743	122,438
Prior Year Adjustments		-	-	-	(5,406)
Amortization Expense	28,187	9,781	-	37,968	12,416
Transfer-In /(Out)	(1,145)	273	-	(872)	54
Effect of Disposals	(747)	(227)	-	(974)	(1,759)
	54,573	109,292	-	163,865	127,743
Net Book Value at March 31, 2017	$ 368,240	$ 7,608	$ 2,859	$ 378,707	
Net Book Value at March 31, 2016	$ 6,653	$ 15,180	$ 369,362		$ 391,195

(1) Equipment includes vehicles, office furnishings and other equipment.
(2) Work in progress includes $2,087 (2016 - $0) for the One Information Management Technology (One IMT) project and $772 (2016 - $0) for Telephony System and other projects.
(3) Disposals include a write-off $443 (2016 - $705).

NOTE 9 CONTINGENT LIABILITIES

(in thousands)

The department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2017, accruals totaling $0 (2016 - $1) have been recorded as a liability. The total amount claimed for all likely claims is $897,604 (2016 - $896,077 restated). The accrual provided for these claims represents the department's portion of the liability. Included in the total likely claims are claims covered in whole or in part by the Alberta Risk Management Fund. The resulting additional liability, if any, from likely claims in excess of the amounts accrued is not determinable.

The department has been named in one hundred and sixty one (2016 - one hundred and seventy three) claims of which the outcome is not determinable.

Of these claims, one hundred and forty eight (2016 - one hundred and fifty five) have specified amounts totaling $132,841 (2016 - $249,045 restated). The remaining thirteen (2016 - eighteen) claims have no amounts specified. Included in the total claims, one hundred and thirty nine claims totaling $116,362 (2016 - one hundred and forty two claims totaling $159,340 restated) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Based on the *Public Trustee Act*, the amount outstanding on a client's guaranteed account as administered by the Office of the Public Guardian and Trustee (OPGT) is a charge against the Common Fund Assets of the Public Trustee and is unconditionally guaranteed by the Crown. As at March 31, 2017, based on the financial statements of the OPGT, the outstanding balance of the Client Guaranteed Accounts is $432,373 (2016 - $432,061).

Within the provision of the *Public Trustee Act*, the OPGT remits unclaimed estate monies, which is reported as general revenue of the department. If entitled beneficiaries are subsequently located, previously unclaimed estate monies are distributed to the beneficiaries.

NOTE 10 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2017, the department has contractual obligations under operating leases, contracts, and programs totaling $1,143,451 (2016 - $1,008,983). This includes a commitment for the Provincial Police Service Agreement (PPSA) of $719,254 (2016 - $710,408). The PPSA with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Total
2017-18	$ 510,237
2018-19	358,364
2019-20	262,613
2020-21	7,018
2021-22	4,622
Thereafter	597
	$ 1,143,451

NOTE 11 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM

(in thousands)

Personal Injury Settlements

The Motor Vehicle Accident Claims Program is a publicly administered program that pays for judgments arising from motor vehicle accidents involving uninsured or unidentified vehicles in Alberta. The program operates under the authority of the *Motor Vehicle Accident Claims Act*. The *Act* states that in order for claimants involved in motor vehicle accidents with uninsured or unidentified vehicles to be entitled to compensation, the Minister of Justice and Solicitor General must receive a court judgment. In accordance with the *Act*, liabilities for personal injury claims are accrued when a court ordered judgment is received.

At March 31, 2017, accrued liabilities for motor vehicle accident claims for which a court order was received amounted to $247 (2016 - $632), which are included in the total program expenditures of $28,798 (2016 - $25,670). There were one thousand and forty six unsettled motor vehicle accident claims under this program at March 31, 2017 (2016 - one thousand and two claims) amounting to $226,157 (2016 - $192,584). Of these unsettled claims, it was estimated that approximately $56,776 (2016 - $50,946) may arise from court ordered judgments, to be received, and have been recorded as a liability.

NOTE 11 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM (Cont'd)

(in thousands)

Supplementary Medical and Rehabilitation Expenses

The estimated liability for supplementary medical and rehabilitation expenses on approved applications filed up to March 31, 2017, is $3,293 (2016 - $3,354) and has been recorded as a liability. As at March 31, 2017, the maximum amount that may be payable to or on behalf of entitled applicants pursuant to the limits set in Section 17 of the *Motor Vehicle Accident Claims Act* was approximately $7,753 (2016 - $7,755).

NOTE 12 BENEFIT PLANS

(in thousands)

The department participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $78,764 for the year ended March 31, 2017 (2016 - $75,725). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of $402,033 (2015 - surplus $299,051), the Public Service Pension Plan reported a surplus of $302,975 (2015 - deficiency $133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $50,020 (2015 - deficiency $16,305).

The department participates in the Provincial Judges and Masters in Chambers Pension Plan. The expenses for this pension plan are $15,775 for the year ended March 31, 2017 (2016 - $15,489).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of $101,515 (2016 - surplus $83,006) and the Management, Opted Out and Excluded Plan a surplus of $31,439 (2016 - surplus $29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 13 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The department administers trust funds that are regulated funds consisting of public money over which the legislature has no power of appropriation. Because the province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the department's financial statements.

As at March 31, 2017 trust funds under administration were as follows:

	2017	2016 (Restated Note 3)
Various Court Offices and Fines Distribution Trust[1]	$ 166,716	$ 160,831
Maintenance Enforcement Trust[2]	11,657	10,788
Solicitors Trust[3]	11,534	9,429
Institutional Trust[4]	1,205	1,152
Public Trustee, Estates and Trusts[5]	606,491	603,780
	$ 797,603	$ 785,980

(1) The various court offices receive and disburse payments for fines, bail and other payments involving civil litigants. Trust fund receipts exceeded trust fund disbursements in 2017 by $5,885 (2016 - $22,766).

(2) The Maintenance Enforcement Program receives and disburses court ordered maintenance and child support. Trust fund receipts exceeded trust fund disbursements in 2017 by $869 (2016 - trust fund disbursements exceeded trust fund receipts by $335).

(3) The Solicitors Trust is comprised of civil law funds held in trust and monies collected under the *Victims Restitution and Compensation Payment Act*. Total funds held in trust at March 31, 2017 included $206 (2016 - $200) of civil law funds and $11,333 (2016 - $9,229) of *Victims Restitution and Compensation Payment Act* funds. Trust fund receipts exceeded trust fund disbursements in 2017 by $2,105 (2016 - $1,794).

(4) Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2017, the amount of the trust funds held under administration was $1,205 (2016 - $1,152) which was comprised of inmate trust funds of $503 (2016 - $509) and inmate welfare fund equity of $702 (2016 - $643).

(5) The Office of the Public Guardian and Trustee administers the estates of dependent adults, decedents and minors. A more comprehensive accounting can be found in the Office of the Public Guardian and Trustee, Estates and Trusts Financial Statements.

NOTE 14 PAYMENTS UNDER AGREEMENT

(in thousands)

The department has entered into agreements to deliver programs and services that are fully funded by the Government of Northwest Territories (GNWT), the Government of Nunavut (GN), the Government of Saskatchewan (GS), the Government of Canada (GC), and the Government of Yukon Territory (Yukon). Costs under these agreements are incurred by the department under authority in Section 25 of the *Financial Administration Act*. Accounts receivable includes $25 (2016 - $24) from the GNWT, $25 (2016 - $13) from the GN, $9 (2016 - $0) from the GS, $73 (2016 - $142) from the GC, and $38 (2016 - $28) from Yukon relating to payments under agreement.

The agreements with the GNWT, the GN and the GS are for services provided by the Medical Examiner's Office. Services include examination of remains, medico-legal autopsy, toxicology analysis, and expert testimony in court or at a coroner's inquest.

The agreement with the GC is for enhanced French language training in order to prepare Alberta Provincial Court judges to sit on the Itinerant Francophone Provincial Court Bench.

The agreement with the Yukon is for the purpose of conducting investigations of Serious Incidents respecting members of the Territorial Police Service.

Amounts paid and payable under agreements with program sponsors are as follows:

	2017	2016
Medical Examiner Services – GNWT	$ 149	$ 113
Medical Examiner Services – GN	46	29
Medical Examiner Services- GS	12	-
Enhanced French Language Training – GC	224	176
Territorial Police Services - Yukon	169	230
	$ 600	$ 548

The department has also entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of the Department of Justice Canada (Justice Canada). Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the department under authority in Section 25 of the *Financial Administration Act*. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements. For the year ended March 31, 2017, amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement are $2,832 (2016 - $2,276) and are reflected in the Statement of Financial Position.

NOTE 15 ADJUSTMENTS TO NET ASSETS

(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2017	2016
Non-Grant Transfer of Tangible Capital Asset from other Government Departments/Entities	$ 1,971	$ 33

NOTE 16 SUBSEQUENT EVENT

(in thousands)

Effective April 1, 2017, responsibility for the Alberta First Responders Radio Communication System was transferred to the Ministry of Service Alberta.

The estimated financial effect of the transfer on the Statement of Operations in 2017-18 is as follows:

	2017-18
Revenue	$ 8,427
Operating Expenses	$ 47,545
Capital Investment	$ 20,858

The estimated financial effect on the Statement of Financial Position may be significant but is uncertain at this stage.

On April 5, 2017, the Treasury Board of Canada approved a pay package for regular members of the RCMP for 2015 and 2016 with a 1.25% increase dated January 1, 2015 and 1.25% dated January 1, 2016 with an additional market adjustment allowance of 2.3% dated April 1, 2016. The estimate financial impact will be $9 million retroactively in 2016-17 and $7 million annually in 2017-18.

NOTE 17 COMPARATIVE FIGURES

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

NOTE 18 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approve these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 1**
SCHEDULE TO FINANCIAL STATEMENTS
REVENUES
Year ended March 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Government Transfers			
Federal Government Grants			
Youth Justice Program	$ 14,951	$ 14,960	$ 14,367
Legal Aid	10,920	12,393	10,808
Other	7,471	6,966	7,233
	33,342	34,319	32,408
Premiums, Fees and Licences			
Motor Vehicle Accident Claims Fees	23,400	22,447	22,849
Court Fees	20,857	23,379	21,160
Security Services and Investigator Fees	1,800	1,665	1,571
Other	5,541	5,463	7,307
	51,598	52,954	52,887
Investment Income	395	387	690
Other Revenue			
Fines	136,007	128,641	121,844
Fines - Late Payment Penalty	26,500	36,202	34,160
Maintenance Enforcement Program	14,977	13,996	14,356
Recoveries for Enhanced Policing Services	8,429	7,533	7,726
Motor Vehicle Accident Recoveries	6,600	7,389	7,635
Miscellaneous	17,986	21,792	15,241
	210,499	215,553	200,962
Total Revenues	$ 295,834	$ 303,213	$ 286,947

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 2**
SCHEDULE TO FINANCIAL STATEMENTS
CREDIT OR RECOVERY
Year ended March 31, 2017

	2017			
	Authorized	Actual Revenue Recognized	Total Revenue Received/ Receivable	(Shortfall)/ Excess [6]
	(in thousands)			
Maintenance Enforcement [2]	$ 5,877	$ 5,092	$ 5,092	$ (785)
Provincial Civil Claims [3]	1,200	1,601	1,601	401
Ticket Processing [4]	40,030	40,030	40,030	-
Edmonton Regional Airport Authority [5]	3,460	2,985	2,985	(475)
	$ 50,567	$ 49,708	$ 49,708	$ (859) [1]

This Schedule is required by Section 24(3) of the Financial Administration Act.

(1) The revenue of each credit or recovery is included in the Statement of Operations and Schedule 1.

(2) Maintenance Enforcement revenues represent deterrent penalties and service fees to promote timely payment of maintenance to improve and expand services available for clients.

(3) Provincial Civil Claims revenues represent funding from fees levied to commence action in excess of seven thousand five hundred dollars in Provincial Court. These revenues are dedicated towards the costs of processing these claims.

(4) Ticket Processing revenues represent the Province's share of *Traffic Safety Act* ticket revenue used to fund expenses incurred in processing and handling violation tickets issued under the *Traffic Safety Act*.

(5) Edmonton Regional Airport Authority revenues are received on a full cost recovery basis from the Edmonton Regional Airport Authority for policing services provided to the Edmonton International Airport under the Provincial Police Service Agreement.

(6) Shortfall is deducted from current year's authorized spending, as disclosed in Schedule 4 to the financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 3**
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2017

	2017		2016 (Restated Note 3)
	Budget	Actual	Actual
	(in thousands)		
Salaries, Wages and Employee Benefits	$ 733,518	$ 755,408	$ 745,399
Supplies and Services	391,769	391,681	387,767
Grants	186,736	196,257	180,237
Amortization of Tangible Capital Assets	58,503	37,968	12,416
Other	21,996	36,616	29,673
Total Expenses before Recoveries	1,392,522	1,417,930	1,355,492
Less Recovery from Support Service Arrangements with Related Party [1]	-	(625)	(625)
	$ 1,392,522	$ 1,417,305	$ 1,354,867

[1] The department provides financial and administrative services to the Human Rights Education and Multiculturalism Fund. Costs incurred by the department for these services were recovered from the Human Rights Education and Multiculturalism Fund.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
LAPSE/ENCUMBRANCE
Year ended March 31, 2017

Schedule 4

		Voted Estimate [1]	Supplementary Estimated [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
				(in thousands)			
Program - Operational							
1	**Ministry Support Services**						
1.1	Minister's Office	$ 803	$ -	$ -	$ 803	$ 776	$ 27
1.2	Deputy Minister's Offices	1,214	-	-	1,214	910	304
1.3	Communications	1,782	-	-	1,782	1,667	115
1.4	Corporate Services	41,201	-	-	41,201	36,516	4,685
1.5	Human Resource Services	7,405	-	-	7,405	7,920	(515)
		52,405	-	-	52,405	47,789	4,616
2	**Resolution and Court Administration Services**						
2.1	Program Support Services	10,247	3,000	-	13,247	12,605	642
2.2	Resolution Services	16,210	-	-	16,210	18,064	(1,854)
2.3	Ticket Processing	40,030	-	-	40,030	40,013	17
2.4	Provincial Civil Claims	1,200	-	-	1,200	1,200	-
2.5	Provincial Court of Alberta	92,218	-	-	92,218	89,375	2,843
2.6	Alberta Court of Queen's Bench	27,731	-	-	27,731	30,496	(2,765)
2.7	Alberta Court of Appeal	7,082	-	-	7,082	6,633	449
		194,718	3,000	-	197,718	198,386	(668)
3	**Legal Services**						
3.1	Civil Law	51,756	-	-	51,756	50,981	775
3.2	Legislative Counsel	2,807	-	-	2,807	2,710	97
3.3	Law Reform	200	-	-	200	200	-
		54,763	-	-	54,763	53,891	872
4	**Alberta Crown Prosecution Service**						
4.1	Program Support	7,415	-	-	7,415	7,023	392
4.2	Appeals, Education and Prosecution Policy	7,215	-	-	7,215	6,781	434
4.3	Criminal and Youth Prosecutions	65,354	5,000	-	70,354	67,275	3,079
4.4	Specialized Criminal and Regulatory Prosecutions	10,852	-	-	10,852	11,378	(526)
		90,836	5,000	-	95,836	92,457	3,379

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
LAPSE/ENCUMBRANCE
Year ended March 31, 2017

Schedule 4 (Cont'd)

		Voted Estimate [1]	Supplementary Estimated [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
		(in thousands)					
5	**Support for Legal Aid**	68,500	9,400	-	77,900	78,320	(420)
6	**Justice Services**						
6.1	Program Support	8,700	680	-	9,380	9,348	32
6.2	Family Support Order Services	19,186	-	-	19,186	18,311	875
6.3	Medical Examiner	11,747	-	-	11,747	11,127	620
6.4	Property Rights Advocate Office	498	-	-	498	379	119
6.5	Public Guardian Services	12,593	-	-	12,593	13,021	(428)
6.6	Public Trustee	17,181	1,694	-	18,875	17,648	1,227
		69,905	2,374	-	72,279	69,834	2,445
7	**Public Security**						
7.1	Program Support Services	8,632	-	-	8,632	9,228	(596)
7.2	Law Enforcement Review Board	787	-	-	787	564	223
7.3	Alberta Serious Incident Response Team	3,524	-	-	3,524	3,528	(4)
7.5	Law Enforcement Standards and Audits	2,909	-	-	2,909	2,457	452
7.6	Contract Policing and Policing Oversight	238,663	(750)	-	237,913	236,498	1,415
7.7	First Nations Policing	11,015	-	-	11,015	10,829	186
7.8	Policing Assistance to Municipalities	85,787	-	-	85,787	85,981	(194)
7.9	Organized and Serious Crime	29,100	-	-	29,100	28,727	373
7.10	Sheriff's and Security Operations Branch	69,338	-	-	69,338	73,383	(4,045)
7.11	Fish and Wildlife Enforcement	20,945	-	-	20,945	21,220	(275)
7.12	Commercial Vehicle Enforcement	13,360	2,000	-	15,360	14,359	1,001
7.13	Alberta First Responders Radio Communication System	17,166	-	5,500	22,666	21,120	1,546
		501,226	1,250	5,500	507,976	507,894	82

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
LAPSE/ENCUMBRANCE
Year ended March 31, 2017

Schedule 4 (Cont'd)

		Voted Estimate [1]	Supplementary Estimated [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
				(in thousands)			
8	**Correctional Services**						
8.1	Program Support Services	6,298	-	-	6,298	6,630	(332)
8.2	Adult Remand and Correctional Centres	188,439	14,000	-	202,439	202,361	78
8.3	Young Offender Centres	22,102	-	-	22,102	22,194	(92)
8.4	Adult Community Correctional Services	40,297	-	-	40,297	41,872	(1,575)
8.5	Young Offender Community Correctional Services	11,037	-	-	11,037	11,328	(291)
		268,173	14,000	-	282,173	284,385	(2,212)
9	**Alberta Human Rights**						
9.1	Alberta Human Rights Commission	6,515	320	-	6,835	6,617	218
9.2	Assistance to the Human Rights Education and Multiculturalism Fund	1,735	-	-	1,735	1,735	-
		-	-	-	-	-	-
		8,250	320	-	8,570	8,352	218
	Credit or Recovery (Shortfall) (Schedule 2)	$ -	$ -	$ (859)	$ (859)	$ -	$ (859)
Total		**$ 1,308,776**	**$ 35,344**	**$ 4,641**	**$ 1,348,761**	**$ 1,341,308**	**$ 7,453**
Lapse/(Encumbrance)							**$ 7,453**

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
LAPSE/ENCUMBRANCE
Year ended March 31, 2017

Schedule 4 (Cont'd)

		Voted Estimate [1]	Supplementary Estimated [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
				(in thousands)			
Program - Capital							
1	Ministry Support Services	$ 666	$ -	$ -	$ 666	$ 534	$ 132
2	Resolution and Court Administration Services	1,032	-	-	1,032	1,142	(110)
3	Legal Services	-	-	-	-	-	-
4	Alberta Crown Prosecution Service	-	-	-	-	29	(29)
7	Justice Services	1,094	-	-	1,094	939	155
8	Public Security	39,954	-	(5,500)	34,454	21,010	13,444
9	Correctional Services	150	-	-	150	374	(224)
Total		**$ 42,896**	**$ -**	**$ (5,500)**	**$ 37,396**	**$ 24,028**	**$ 13,368**
Lapse/(Encumbrance)							**$ 13,368**

This Schedule is required by Section 24(4) of the Financial Administration Act.

(1) As per "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2016-17 Government Estimates.

(2) Per the Supplementary Supply Estimates approved on March 29, 2017.

(3) Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 5**
SCHEDULE TO FINANCIAL STATEMENTS
LOTTERY FUND ESTIMATES
Year ended March 31, 2017

	2016-17 Lottery Fund Estimates	2016-17 Actual	Unexpended (Over Expended)
		(in thousands)	
Alberta Human Rights	$ 1,735	$ 1,735	$ -

The revenue of the Lottery Fund was transferred to the Department of Treasury Board and Finance on behalf of the General Revenue Fund in 2013-14. Having been transferred to the General Revenue Fund, these monies then become part of the department's supply vote. This table shows details of the initiatives within the department that are funded by Lottery Fund and compares it to the actual results.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 6**
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2017

	2017				2016
	Base Salary[1]	Other Cash Benefits[2]	Other Non-Cash Benefits[3]	Total	Total
	(in thousands)				
Senior Officials:					
Deputy Minister of Justice and Deputy Solicitor General[4][5]	$ 287	$ 8	$ 61	$ 356	$ 263
Associate Deputy Solicitor General[5][6]	39	1	10	50	386
Chief of the Commission and Tribunals, Alberta Human Rights Commission	261	11	62	334	355
Executives:					
Assistant Deputy Ministers					
Corporate Services	193	-	50	243	249
Resolution and Court Administration Services[7]	202	-	59	261	345
Alberta Crown Prosecution Services	202	-	55	257	254
Legal Services	213	-	58	271	273
Justice Services[8]	185	-	47	232	242
Public Security[7]	199	-	51	250	258
Correctional Services	187	-	48	235	230

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments and car allowance. There were no bonuses paid in 2017.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, tuition fees and the Health Spending Account.

(4) The individual is not paid a salary but is engaged through a contract for services between the Ministry and the individual's employer. The contract amount paid to the individual's employer is $344.

(5) Automobile provided, no dollar amount included in other non-cash benefits.

(6) The position vacant as of May 13, 2016.

(7) The position was occupied by two individuals at different times during the year.

(8) The position was occupied by three individuals at different times during the year.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL **Schedule 7**
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the department.

The department and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The department had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016 (Restated Note 3)
Revenues				
Ministry of Energy	$ -	$ -	$ 308	$ 308
Expenses – Directly Incurred				
Service Alberta	$ -	$ -	$ 11,353	$ 11,167
Grants	1,735	1,735	-	-
Other Services	-	-	1,397	1,343
	$ 1,735	$ 1,735	$ 12,750	$ 12,510
Receivable from	$ -	$ 156	$ 2,151	$ 1,819
Payable to	$ -	$ -	$ -	$ 8
Contractual Obligations	$ -	$ -	$ 715	$ 988

The department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements but are disclosed in Schedule 8.

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016 (Restated Note 3)
Revenues				
Legal Services	$ 5	$ 6	$ 44,027	$ 46,021
Expenses – Indirectly Incurred				
Accommodation	$ -	$ -	$ 158,964	$ 156,645
Service Alberta	-	-	20,520	19,842
Other Services	-	-	219	923
	$ -	$ -	$ 179,703	$ 177,410

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2017
(in thousands)

Schedule 8

	2017				2016
		Expenses - Incurred by Others			
Program	**Expenses[1]**	**Accommodation Costs[2]**	**Business Services[3]**	**Total Expenses**	**Total Expenses (Restated Note 3)**
Ministry Support Services	$ 55,738	$ 6,147	$ 20,739	$ 82,624	$ 82,540
Resolution and Court Administration Services	208,243	57,065		265,308	264,841
Legal Services	53,999	2,553		56,552	58,611
Alberta Crown Prosecution Service	93,031	7,400		100,431	103,363
Support for Legal Aid	78,320	176		78,496	66,201
Justice Services	70,465	6,550		77,015	76,364
Public Security	535,204	17,127		552,331	511,134
Correctional Services	285,143	60,867		346,010	334,414
Alberta Human Rights	8,364	783		9,147	8,839
Motor Vehicle Accident Claims	28,798	296		29,094	25,960
	$ 1,417,305	$ 158,964	$ 20,739	$ 1,597,008	$ 1,532,267

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square meters.

(3) Costs shown for Business Services include charges for IT support, internal audit services and other services on Schedule 7.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND

Financial Statements

Year Ended March 31, 2017

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND

Financial Statements

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Schedule 2 - Related Party Transactions

Schedule 3 - Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Human Rights Education and Multiculturalism Fund, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Human Rights Education and Multiculturalism Fund as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 6, 2017

Edmonton, Alberta

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF OPERATIONS
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Revenues			
Internal Government Transfer			
Department of Justice and Solicitor General	$ 1,735	$ 1,735	$ 1,735
Premiums, Fees and Licences	75	41	41
Investment Income	75	38	37
Other	10	-	-
	1,895	1,814	1,813
Expenses - Directly Incurred (Note 2(b) and Schedule 1 and 3)			
Programs			
Support to Community Groups	1,274	1,275	1,246
Education Programs	603	499	532
	1,877	1,773	1,778
Annual Surplus	$ 18	$ 40	$ 35

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF FINANCIAL POSITION
As at March 31, 2017

	2017	2016
	(in thousands)	
Financial Assets		
Cash and Cash Equivalents (Note 3)	$ 3,530	$ 3,891
Accounts Receivable	3	-
	3,533	3,891
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	15	415
Net Financial Assets	3,518	3,476
Non-Financial Assets		
Tangible Capital Assets (Note 5)	10	12
Net Assets	$ 3,528	$ 3,488
Net Assets, Beginning of Year	$ 3,488	$ 3,453
Annual Surplus	40	35
Net Assets, End of Year	$ 3,528	$ 3,488

Contractual Obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Annual Surplus	$ 18	$ 40	$ 35
Amortization of Tangible Capital Assets (Note 5)	-	2	2
Increase in Net Financial Assets	$ 18	$ 42	$ 37
Net Finanical Assets at Beginning of Year	3,476	3,476	3,439
Net Financial Assets at End of Year	$ 3,494	$ 3,518	$ 3,476

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF CASH FLOWS
Year ended March 31, 2017

	2017	2016
	(in thousands)	
Operating Transactions		
Annual Surplus	$ 40	$ 35
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Captial Assets (Note 5)	2	2
(Increase) Decrease in Accounts Receivable	(3)	4
Decrease in Accounts Payable and Accrued Liabilities	(400)	(325)
Cash Applied to Operating Transactions	(361)	(284)
Decrease in Cash and Cash Equivalents	(361)	(284)
Cash and Cash Equivalents at Beginning of Year	3,891	4,175
Cash and Cash Equivalents at End of Year	$ 3,530	$ 3,891

The accompanying notes and schedules are part of these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 AUTHORITY AND PURPOSE

The Human Rights Education and Multiculturalism Fund (the fund) operates under the authority of the *Alberta Human Rights Act*, Chapter A-25.5, Revised Statutes of Alberta 2000.

The purpose of the fund is to promote equality, increase understanding and acceptance of Alberta's diverse racial and cultural composition, and inform Albertans about their rights and responsibilities under the *Alberta Human Rights Act*.

The fund is owned by the Crown in Right of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Human Rights Education and Multiculturalism Fund, which is part of the Ministry of Justice and Solicitor General and for which the Minister of Justice and Solicitor General is accountable.

(b) Basis of Financial Reporting

Revenue
All revenues are reported on the accrual basis of accounting.

Government Transfers
Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

Expenses
Directly Incurred
Directly incurred expenses are those costs the fund has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as supplies, etc., directly incurred expenses also include amortization of tangible capital assets.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Expenses (Cont'd)

Incurred by Others

Services contributed by other related entities in support of the fund's operations are not recognized and are disclosed in Schedule 2 and allocated to programs in Schedule 3.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the fund are limited to financial claims, such as advances to and receivables from other organizations, and other individuals.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

a) are normally employed to deliver government services;
b) may be consumed in the normal course of operations; and
c) are not for sale in the normal course of operations.

Non-financial assets of the fund are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the fund are recognized at historical cost and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged when the tangible capital asset is put into service.

Assets acquired by right are not included.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000 and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

- **PS 3450 Financial Instruments (effective April 1, 2019)**
  Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2017, securities held by the fund have a time weighted return of 0.89% (2016 - 0.83%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2017	2016
Grants to Non-Profit Organizations	$ -	$ 253
Other Program Expenses	15	162
	$ 15	$ 415

NOTE 5 TANGIBLE CAPITAL ASSETS

(in thousands)

	Equipment [1]
Estimated Useful Life	3-40 years
Historical Cost	
Beginning of Year	$ 17
Additions	-
Disposals, Including Write-downs	-
	17
Accumulated Amortization	
Beginning of Year	5
Amortization Expense	2
Effect of Disposals	-
	7
Net Book Value at March 31, 2017	$ 10
Net Book Value at March 31, 2016	$ 12

[1] Equipment includes video conference equipment.

NOTE 6 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the fund to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2017, the fund has obligations under contracts and programs totalling $161 (2016 - $187).

Estimated payment requirements for each of the next two years are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Total
2017-18	$ 158
2018-19	3
	$ 161

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approve these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 1**
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Supplies and Services	$ 252	$ 152	$ 185
Supplies and Services from Support Service Arrangements with Related Parties [1]	625	625	625
Grants	1,000	995	966
Amortization of Tangible Capital Assets	-	2	2
	$ 1,877	$ 1,774	$ 1,778

[1] The fund receives financial and administrative services from the Department of Justice and Solicitor General.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 2**
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

The fund paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The fund had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between related parties:

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Revenues				
Transfer from the Department of Justice and Solicitor General	$ 1,735	$ 1,735	-	-
Payable to	$ -	$ 156	$ -	$ 6

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements but are disclosed in Schedule 3.

	Other Entities	
	2017	2016
Expenses – Incurred by Others		
Accommodation	$ 80	$ 79

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND **Schedule 3**
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2017
(in thousands)

	2017			2016
		Expenses - Incurred by Others		
Program	**Expenses [1]**	**Accommodation Costs[2]**	**Total Expenses**	**Total Expenses**
Support to Community Groups	$ 1,275	$ 80	$ 1,355	$ 1,325
Education Programs	499	-	499	532
	$ 1,774	$ 80	$ 1,854	$ 1,857

[1] Expenses – Directly Incurred as per Statement of Operations.

[2] Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square meters.

VICTIMS OF CRIME FUND

Financial Statements

Year Ended March 31, 2017

VICTIMS OF CRIME FUND

Financial Statements

Year Ended March 31, 2017

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Schedule 2 - Related Party Transactions

Schedule 3 - Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Victims of Crime Fund, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Victims of Crime Fund as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 6, 2017

Edmonton, Alberta

VICTIMS OF CRIME FUND
STATEMENT OF OPERATIONS
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Revenues			
Government Transfers			
Federal Government Grants	$ -	$ 558	$ 453
Investment Income	500	544	409
Other			
Federal Surcharge	2,000	2,408	2,827
Provincial Fine Surcharge	44,800	45,789	44,734
Expenditure Refunds	-	160	375
	47,300	49,459	48,798
Expenses - Directly Incurred (Note 2(b) and Schedule 1 and 3)			
Programs			
Financial Benefits	15,188	22,499	19,239
Assistance to Victims' Organizations	17,043	16,920	16,246
Criminal Injuries Review Board	451	321	311
Program Support Services	575	521	578
	33,257	40,261	36,374
Annual Surplus	$ 14,043	$ 9,198	$ 12,424

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
STATEMENT OF FINANCIAL POSITION
As at March 31, 2017

	2017	2016
	(in thousands)	
Financial Assets		
Cash and Cash Equivalents (Note 3)	$ 70,471	$ 55,391
Accounts Receivable (Note 4)	30,396	28,344
	100,867	83,735
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	36,198	28,264
Net Financial Assets	64,669	55,471
Non-Financial Assets		
Tangible Capital Assets (Note 6)	454	454
Net Assets	$ 65,123	$ 55,925
Net Assets, Beginning of Year	$ 55,925	$ 43,501
Annual Surplus	9,198	12,424
Net Assets, End of Year	$ 65,123	$ 55,925

Contractual Obligations (Note 7)

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Annual Surplus	$ 14,043	$ 9,198	$ 12,424
Acquisition of Tangible Capital Assets	(25)	-	(454)
Amortization of Tangible Capital Assets (Note 6)	69	-	-
Increase in Net Financial Assets	$ 14,087	$ 9,198	$ 11,970
Net Financial Assets at Beginning of Year	55,471	55,471	43,501
Net Financial Assets at End of Year	$ 69,558	$ 64,669	$ 55,471

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
STATEMENT OF CASH FLOWS
Year ended March 31, 2017

	2017	2016
	(in thousands)	
Operating Transactions		
Annual Surplus	$ 9,198	$ 12,424
Increase in Accounts Receivable	(2,052)	(5,303)
Increase in Accounts Payable and Accrued Liabilities	7,934	2,561
Cash Provided by Operating Transactions	15,080	9,682
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 6)	-	(454)
Cash Applied to Capital Transactions	-	(454)
Increase in Cash and Cash Equivalents	15,080	9,228
Cash and Cash Equivalents at Beginning of Year	55,391	46,163
Cash and Cash Equivalents at End of Year	$ 70,471	$ 55,391

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 AUTHORITY AND PURPOSE

The Victims of Crime Fund (the fund) operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000.

The purpose of the fund is to provide grants to victims' programs and to pay benefits to victims, or their dependents, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal surcharge revenues.

The fund is owned by the Crown in Right of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of Justice and Solicitor General and for which the Minister of Justice and Solicitor General is accountable.

(b) Basis of Financial Reporting

Revenue
All revenues are reported on the accrual basis of accounting. Cash received for which goods and or services have not been provided by year-end is recognized as unearned revenue.

Government Transfers
Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without terms for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Expenses

Directly Incurred

Directly incurred expenses are those costs the fund has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the fund's operations are not recognized and are disclosed in Schedule 2 and allocated to programs in Schedule 3.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the fund are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Liabilities
Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets
Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

a) are normally employed to deliver government services;
b) may be consumed in the normal course of operations; and
c) are not for sale in the normal course of operations.

Non-financial assets of the fund are limited to tangible capital assets.

Tangible Capital Assets
Tangible capital assets of the fund are recognized at historical cost and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged when the tangible capital asset is put into service.

Assets acquired by right are not included.

Measurement Uncertainty
(*in thousands*)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount in the financial statements and another reasonably possible amount.

The areas subject to measurement uncertainty include:

- Accounts receivable recognized as $30,396 (2016 - $28,344) excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $6,473 (2016 - $5,199) are based on the actual percentage satisfied in this manner from April 1, 2016 to March 31, 2017 and have been deducted from total outstanding surcharges. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

- Provision for doubtful accounts reported as $985 (2016 - $906) is based on the actual percentage of surcharges written off from April 1, 2016 to March 31, 2017.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)
(*in thousands*)

- Financial benefits program (Note 8) liabilities total $32,172 (2016 - $25,256) and include:
  - financial benefits reported in the amount of $15,267 (2016 - $9,765);
  - supplemental financial benefits in the amount of $10,862 (2016 - $8,602); and
  - compensation claims in the amount of $6,043 (2016 - $6,889).

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-entity Transactions (effective April 1, 2017)**
  PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
  PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000 and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
  This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.

- **PS 3450 Financial Instruments (effective April 1, 2019)**
  Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2017, securities held by the fund have a time weighted return of 0.89% (2016 - 0.83%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2017				2016
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 1,263	$ -	$ -	$ 1,263	$ 706
Surcharge					
Provincial	24,920	809	791	23,320	21,747
Federal	7,774	5,664	194	1,916	2,035
Other	3,897	-	-	3,897	3,856
	$ 37,854	$ 6,473	$ 985	$ 30,396	$ 28,344

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2017	2016
Grants to Non-Profit Organizations	$ 2,629	$ 2,333
Financial Benefits Program (Note 8)	32,172	25,256
Other Program Expenses	1,397	675
	$ 36,198	$ 28,264

NOTE 6 TANGIBLE CAPITAL ASSETS

(in thousands)

	Computer Hardware and Software	Work in Progress[1]	2017 Total	2016 Total
Estimated Useful Life	3 -10 years			
Historical Cost				
Beginning of Year	$ 414	$ 454	$ 868	$ 414
Additions	-	-	-	454
Disposals, Including Write-downs	-	-	-	-
	414	454	868	868
Accumulated Amortization				
Beginning of Year	414	-	414	414
Amortization Expense	-	-	-	-
Effect of Disposals	-	-	-	-
	414	-	414	414
Net Book Value at March 31, 2017	$ -	$ 454	$ 454	
Net Book Value at March 31, 2016	$ -	$ 454		$ 454

(1) Work in Progress includes $454 for Alberta Victim Assistance Tracking and Reporting (AVATAR) system.

NOTE 7 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the fund to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2017, the fund has obligations under contracts and programs totaling $15,562 (2016 - $17,037).

Estimated payment requirements for each of the next three years are as follows:

Obligations Under Operating Leases, Contracts and Programs	Total
2017-18	$ 9,526
2018-19	4,643
2019-20	1,393
	$ 15,562

NOTE 8 FINANCIAL BENEFITS PROGRAM

(in thousands)

Financial Benefits

As at March 31, 2017, there were two thousand two hundred fifty one (2016 - one thousand six hundred twenty nine) active applications for financial benefits.

Financial Benefits liability of $15,267 (2016 - $9,765) is estimated based on historical decision patterns, average award values, and case progress at year end. Additional information may be required to determine the amount for individual cases under regulations of the *Victims of Crime Act*.

Supplemental Benefits

As at March 31, 2017, twenty three (2016 - nineteen) eligible recipients received a monthly payment of $1,000 for supplemental benefits.

Supplemental benefits liability of $10,862 (2016 - $8,602) is estimated using a projection of monthly payments and statistical life expectancy figures. In addition, a present-value methodology has also been applied in calculating this estimated liability. This methodology projects benefit cost streams into the future and discounts them to present-value using a discount rate which reflects the current return on assets used to fund the liability. The injuries of a recipient receiving a supplemental financial benefit must be reviewed every 12 months to determine whether the severity of injuries is still in accordance with regulations under the *Victims of Crime Act*.

Former Crimes Compensation Board

As at March 31, 2017, twenty eight (2016 - twenty nine) eligible recipients received a monthly payment for compensation claims, assumed from the former Crimes Compensation Board.

Compensation claims liability of $6,043 (2016 - $6,889) is estimated using a projection of monthly payments and statistical life expectancy figures. The same present-value methodology described above for supplemental benefits has been used to calculate this estimated liability. The payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount.

NOTE 9 BENEFIT PLANS

(in thousands)

The fund participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $513 for the year ended March 31, 2017 (2016 - $485). The fund is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of $402,033 (2015 - surplus $299,051), the Public Service Pension Plan reported a surplus of $302,975 (2015 - deficiency $133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $50,020 (2015 - deficiency $16,305).

The fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of $101,515 (2016 - surplus $83,006) and the Management, Opted Out and Excluded Plan a surplus of $31,439 (2016 - surplus $29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approve these financial statements.

VICTIMS OF CRIME FUND **Schedule 1**
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2017

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Salaries, Wages and Employee Benefits	$ 3,399	$ 3,887	$ 3,628
Supplies and Services	1,205	919	714
Grants	28,484	28,459	29,344
Amortization of Tangible Capital Assets	69	-	-
Provision for Financial Benefits Program	100	6,916	2,772
Others	-	80	(84)
	$ 33,257	$ 40,261	$ 36,374

VICTIMS OF CRIME FUND **Schedule 2**
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the fund.

The fund and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The fund had the following transactions with related parties reported on the Statement of Operations and Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Expenses – Directly Incurred				
Alberta Risk Management Fund	$ -	$ -	$ 5	$ -
Service Alberta	-	-	1	4
	$ -	$ -	$ 6	$ 4
Payable to	$ -	$ -	$ -	$ 4

The fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements but are disclosed in Schedule 3.

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Expenses – Indirectly Incurred				
Accommodation	$ -	$ -	$ 349	$ 337
Legal	5	6	-	-
	$ 5	$ 6	$ 349	$ 337

VICTIMS OF CRIME FUND
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2017
(in thousands)

Schedule 3

	2017				2016
		Expenses - Incurred by Others			
Program	Expenses [1]	Accommodation Costs[2]	Legal Services[3]	Total Expenses	Total Expenses
Financial Benefits	$ 22,499	$ 128	$ -	$ 22,627	$ 19,360
Victims Programs	16,920	123	-	17,043	16,367
Criminal Injuries Review Board	321	88	-	409	397
Administration	521	10	5	536	593
	$ 40,261	$ 349	$ 5	$ 40,615	$ 36,717

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square meters.

(3) Costs shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS

Financial Statements

Year Ended March 31, 2017

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS

Financial Statements

Year Ended March 31, 2017

Management's Report

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Assets

Statement of Cash Flows

Statement of Remeasurement Gains and Losses

Notes to the Financial Statements

Clients' Guaranteed Account

Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for all areas except trust assets under administration. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Public Trustee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Office of the Public Guardian and Trustee. The Public Trustee reviews external audited financial statements annually.

The external auditor, Auditor General of Alberta, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of the Office of the Public Guardian and Trustee and meets when required.

On behalf of the Office of the Public Guardian and Trustee

[Original signed by]

David Peace
Assistant Deputy Minister
Justice Services Division
Justice and Solicitor General

[Original signed by]

Barb Martini
Public Trustee
Office of the Public Guardian & Trustee

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of Office of the Public Guardian and Trustee, Estates and Trusts, which comprise the statement of financial position as at March 31, 2017, and the statement of operations, changes in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management using the described basis of accounting in Note 2.

Management's Responsibility for the Financial Statements

Management is responsible for determining that the described basis of accounting is acceptable in the circumstances, preparing and presenting these financial statements in accordance with the accounting policies described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Office of the Public Guardian and Trustee, Estates and Trusts as at March 31, 2017, and the results of its operations, its changes in net financial assets, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to account for assets held in trust under the *Public Trustee Act*. The financial statements are prepared in accordance with the described basis of accounting and, therefore, may not be suitable for another purpose.

[Original signed by Merwan N. Saher FCPA, FCA]

June 6, 2017

Edmonton, Alberta

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF OPERATIONS
Year ended March 31, 2017

	2017	2016
	(in thousands)	
Revenues		
Pensions, Benefits and Settlements	$ 118,662	$ 111,761
Interest and Dividends *(Note 5)*	12,085	13,040
Common Fund Realized Gains	1,089	3,819
	131,836	128,620
Expenses		
Client Care and Maintenance	82,087	78,657
Administrative Fees *(Note 12)*	5,205	5,571
Management fees	1,010	1,833
Transfer to General Revenue Fund *(Note 12)*	1,655	620
	89,957	86,681
Net Income	$ 41,879	$ 41,939

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF FINANCIAL POSITION
As at March 31, 2017

	2017	2016
	(In thousands)	
Financial Assets		
Cash and Cash Equivalents *(Note 7)*	$ 7,312	$ 9,928
Interest and Dividends Receivable	3,572	3,938
Common Fund Investments *(Note 8)*	504,979	498,971
Other Trust Assets Under Administration *(Note 9)*	141,737	139,604
	657,600	652,441
Liabilities		
Accounts Payable and Accrued Liabilities *(Note 10)*	1,826	764
Clients' Accounts, Mortgages, and Loans Payable *(Note 11)*	47,009	47,881
	48,835	48,645
Accumulated Remeasurement Gains	2,274	16
Net Financial Assets	$ 606,491	$ 603,780

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2017

	Clients' Equity 2017	Accumulated Surplus 2017 *(in thousands)*	Total 2017	Clients' Equity 2016	Accumulated Surplus 2016 *(in thousands)*	Total 2016
Net Income	$ -	$ 41,879	$ 41,879	$ -	$ 41,939	$ 41,939
Allocated to Clients for Future Distribution						
Interest from Common Fund Earnings *(Note 1d)*	10,794	(10,794)	-	10,895	(10,895)	-
Excess of Revenues over Expenditures *(Note 6)*	31,689	(31,689)	-	27,904	(27,904)	-
Trust Assets Acquired *(Note 9b)*	35,736	-	35,736	45,668	-	45,668
Assets released to Clients, Beneficiaries and Heirs	(22,527)	-	(22,527)	(30,758)	-	(30,758)
Cash distributions to Clients, Beneficiaries and Heirs	(52,377)	-	(52,377)	(56,719)	-	(56,719)
	3,315	(42,483)	(39,168)	(3,010)	(38,799)	(41,809)
Increase (Decrease) in Net Financial Assets	3,315	(604)	2,711	(3,010)	3,140	130
Net Assets - Beginning of Year	523,787	79,993	603,780	526,797	76,853	603,650
Net Assets - End of Year	$ 527,102	$ 79,389	$ 606,491	$ 523,787	$ 79,993	$ 603,780

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF CASH FLOWS
Year Ended March 31, 2017

	2017	2016
	(in thousands)	
Operating Transactions		
Net Income	$ 41,879	$ 41,939
Items not affecting cash:		
Interest and Dividends from Clients' Investments outside of Common Fund	(319)	(371)
Amortization of Premium and Discounts	4,448	4,221
	46,008	45,789
Decrease in Interest and Dividends Receivable	366	194
Increase in Accounts Payable and Accrued Liabilities	1,062	337
	1,428	531
Cash Provided by Operating Transactions	47,436	46,320
Capital Transactions		
Acquisition of Trust Assets	(4,264)	(4,885)
Proceeds of Sale of Trust Assets	14,787	14,594
Cash Provided by Capital Transactions	10,523	9,709
Investing Transactions		
Purchase of Portfolio Investments	(283,924)	(304,970)
Disposal of Portfolio Investments	275,726	304,008
Cash Applied to Investing Transactions	(8,198)	(962)
Financing Transactions		
Distribution to Clients, Beneficiaries and Heirs	(52,377)	(56,719)
Cash Applied to Financing Transactions	(52,377)	(56,719)
Decrease in Cash and Cash Equivalents	(2,616)	(1,652)
Cash and Cash Equivalents at Beginning of Year	9,928	11,580
Cash and Cash Equivalents at End of Year	$ 7,312	$ 9,928

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
Year Ended March 31, 2017

	2017	2016
	(in thousands)	
Unrealized Gains (Losses) Attributable to:		
Investments	$ 1,894	$ (1,059)
Foreign Exchange	376	(15)
Amounts Reclassified to the Statement of Operations		
Investments	139	(1,179)
Foreign exchange	(151)	(1,381)
Increase (Decrease) in Net Financial Assets	2,258	(3,634)
Accumulated Remeasurement Gains, Beginning of Year	16	3,650
Accumulated Remeasurement Gains, End of Year	$ 2,274	$ 16

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2017

1. AUTHORITY AND PURPOSE

Office of The Public Trustee of Alberta ("Public Trustee") was established in 1949 pursuant to the *Public Trustee Act* and now operates under the authority of the *Public Trustee Act*, SA 2004, C.P. 44.1, ("the *Act*") and other provincial statutes to protect the financial interests of vulnerable Albertans by administering the estates of represented adults, decedents and minors. Effective April 1, 2014, the Office of the Public Trustee merged with the Office of the Public Guardian creating the Office of the Public Guardian and Trustee (OPGT).

The mandate of the Public Trustee is to:

a) Administer the property and finances of adults who are incapable of managing their financial affairs;

b) Administer the estate of deceased persons;

c) Protect property rights of children under eighteen years of age;

d) Management of Common Fund;

The *Public Trustee Act* Section 31(2) requires (with certain exceptions) that the money received by the Public Trustee for a client be paid into the Common Fund. Section 33(3) requires any amount paid into the Common Fund for a client under section 31(2) be credited to the client's guaranteed account (Schedule 1) with the Public Trustee. Section 31(4) of the *Act* states that no client or other person has any claim to or against the Common Fund except as provided by section 33. Section 33(6) states that the amount outstanding on a client's guaranteed account is a charge against the assets of the Common Fund and is unconditionally guaranteed by the Crown. Section 32(1) of the *Act* states that assets may be transferred out of the Common Fund only as expressly required or permitted under the *Act*.

Section 32(2) allows funds to be transferred out of the Common Fund to pay the client, to pay an expense or a liability of the client. Amounts transferred from the Common Fund under section 32(2) are deducted from the client's guaranteed account.

Section 34 of the *Act* states that the Public Trustee, in accordance with the Public Trustee Investment Regulation (Regulation), sets the interest rate to be credited to client guaranteed accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(a) Basis of Financial Reporting

The financial statements have been presented to report on Office of the Public Guardian and Trustee's fiduciary responsibilities in respect of the administration of client trusts and estates and Common Fund as required under the *Public Trustee Act* and the Public Trustee Investment Regulation.

These financial statements reflect the operations of the Common Fund and the assets held in trust and activity for the estates and trusts administered by Office of the Public Guardian and Trustee (OPGT).

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES** ***(continued)***

The operating costs of Office of the Public Guardian and Trustee are paid by the Ministry of Justice and Solicitor General. As such, the operating costs are not included in these statements and can be found in the financial statements of the Ministry.

All balances except for other trust assets under administration have been prepared in accordance with Canadian Public Sector Accounting Standards. The accounting policies for other trust assets are described in Note 2(c).

(b) **Common fund investments**

Common Fund investments consist of bonds, debentures, mortgages, asset backed securities, shares and Exchange Traded Funds (ETF). The carrying value of all financial instruments included in the Common Fund is measured at cost or fair value. The long term investments, except shares and ETF, are reported at amortized costs less any write-down associated with a loss in value that is other than a temporary decline. Discounts and premiums arising on the purchase of fixed income securities are amortized over the term of the investment. Shares and ETF are stated at market value determined with reference to quoted market value.

Short-term investments are stated at cost, which approximates market value.

Forward foreign currency contracts are held to protect the fund from foreign currency exchange risk. Forward foreign exchange contracts are valued based on fair value.

Unrealized gains and losses are recorded in the statement of remeasurement gains and losses.

When a financial instrument is derecognized, the cumulative amount of the remeasurement gain or loss previously reported is reversed and the gain or loss on the disposal of units held by the Common Fund is recognized in the statements of operations.

Disclosure of the hierarchy of inputs used in the determination of fair value for investments is reported according to the following levels:

(a) Level one: fair value is based on quoted prices in an active market.

(b) Level two: fair value is based on model-based valuations methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.

(c) Level three: fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

Reporting Entity

These financial statements reflect the assets and liabilities of the Common Fund and estates and trusts under the administration of the Public Guardian and Trustee of Alberta. In addition, these financial statements reflect the annual changes in those assets and liabilities including:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES *(continued)*

i) Revenues earned on behalf of clients;
ii) Income received on behalf of clients;
iii) New client account additions;
iv) Released client withdrawals;
v) Payment made on behalf of clients; and
vi) Administration fees payable to the Ministry of Justice and Solicitor General

The clients' equity represents funds that are available for distribution to clients or their beneficiaries.

Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The amount not received prior to the year-end is reported as accounts receivable. Purchase price premiums or discounts are amortized on a straight-line basis over the remaining term of the investment. Realized gains and losses on the disposition of Common Fund investments are recorded on the date of trade of the disposal transaction.

A portion of revenues generated by Common Fund investments are credited to clients' equity. Section 34 of the *Act* states that the Public Trustee shall set the interest rate for each category of guaranteed accounts in accordance with the Regulation. The interest is calculated on the minimum daily balance of each client's account according to the Regulation and is credited to the client's account monthly. The interest rate as at March 31, 2017 is 2.50% (2016 – 2.50%).

Expenses

All expenses are reported on the accrual basis of accounting. The cost of all goods consumed and services received during the year are expensed. Transfers from the Common Fund to the General Revenue Fund, investment management expenses related to the Common Fund investments, and assurance payments are recorded using the accrual basis of accounting with amounts incurred in the fiscal year but not paid prior to year end reflected as accounts payable and accrued liabilities.

Administrative Fees

Public Trustee fees on all official guardian accounts are calculated and collected in the month of the annual anniversary of the opening of the file. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees for represented adult accounts are calculated and collected annually on the trust's anniversary date. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees on decedent accounts are not collected until the trust or account is distributed. Fees are accrued from the period of the date the trust account was opened until the date of financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES *(continued)*

In addition to the above stated administration fees the Public Trustee may, in accordance with section 40(1)(a) of the *Act*, charge the client any fee that the Public Trustee deems is reasonable for any service. Under section 40(1) (b), the Public Trustee is entitled to collect from the client any expense reasonably incurred on the client's behalf.

Administration fees paid by the clients to OPGT, with the exception of cost recoveries, are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

(c) **Other Trust Assets Under Administration**

Trust assets under administration consist of accounts receivable, investments, real property and other assets that are held outside of the Common Fund. Assets acquired through new clients are recorded as direct increases to net assets and not as revenues. When assets are disposed of back to the beneficiary they are removed from net assets and not recorded as an expense.

Accounts Receivable

Accounts receivable consist of mortgages, loans, external bank account balances prior to the transfer to the Public Trustee, pension plan and other benefit and miscellaneous receivables. The accounts receivable are recorded at their estimated fair value.

Clients' Investments Outside of Common Fund

Clients' investments outside of Common Fund consists of retirement plans, registered disability savings plans (RDSPs), guaranteed investment certificates and deposits, Government bonds, shares and other securities. These assets are valued at fair value based on the information available at the time OPGT assumes responsibility.

On a go forward basis, the cost based approach for investments is considered most appropriate as it is not practical to determine the investment market value. Due to the numerous unique client investments the change in value is not easily measurable and not actively managed by OPGT.

Structured Settlements and Annuities

Structured Settlements and Annuities are recorded at the present value of their guaranteed term. If there is not a guaranteed term, the settlement or annuity is recorded at a nominal value of $1.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES** ***(continued)***

Real Property

Real property consisting of land and buildings are tangible capital assets and are recorded at cost. The cost is considered to be the initially recorded fair value based on the property tax assessments and other information at the time OPGT assumes responsibility for the property.

Amortization is not appropriate considering the properties are held as inventory.

Other Assets

Other assets are stated at amounts determined from information available to OPGT at the date the Trustee assumes responsibility of the assets. Subsequent adjustments are made if additional valuation information is received. If no valuation is available, these assets are recorded at a nominal value of $1.

Clients' Accounts, Mortgages and Loans Payable

Client accounts, mortgages and loans payable represent the administration fees payable to OPGT and the encumbrances of client assets that are payable to independent third parties. These client obligations are settled as client resources become available. In some cases, a client's liabilities exceed the stated value of their assets. These items are included as accounts payable when they have been verified by the creditor and are paid as the resources of the client become available.

Liabilities

All liabilities are recorded at their estimated fair value at the date of assumption of the liability.

The carrying value of all liabilities approximates their fair value.

Net Assets

Net assets represent the difference between the carrying value of assets held by OPGT and its liabilities.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, interest and dividends receivable, accounts payable, accrued liabilities and clients' accounts are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of mortgages and loans payable are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

3. MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a variance between the recognized or described amount and another reasonably possible amount. In particular, the fair value of many assets is estimated at the time that OPGT assumes the responsibility for the assets. Actual results could differ from those estimates.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses for the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

4. BUDGET

Budget amounts have not been disclosed as Public Guardian and Trustee's nature of operations does not provide for relevant budget amounts to be reasonably determined.

5. INTEREST AND DIVIDENDS

	2017	2016
	(in thousands)	
Interest and Dividends - Common Fund Investments	$ 11,766	$ 12,669
Interest and Dividends from Clients' Investments outside of Common Fund	319	371
Interest and Dividends	$ 12,085	$ 13,040

6. EXCESS OF REVENUES OVER EXPENSES - ALLOCATED TO CLIENTS FOR FUTURE DISTRIBUTIONS

	2017	2016
	(in thousands)	
Interest and Dividends from Clients' Investments outside of Common Fund	$ 319	$ 371
Pensions, Benefits and Settlements	118,662	111,761
Total Revenues	118,981	112,132
Client Care and Maintenance	82,087	78,657
Administrative Fees	5,205	5,571
Total Expenses	87,292	84,228
Excess of Revenues over Expenses - Allocated to Clients for Future Distribution	$ 31,689	$ 27,904

7. CASH AND CASH EQUIVALENTS

	2017	2016
	(in thousands)	
Operating Bank Accounts	$ 5,189	$ 7,824
Consolidated Cash Investment Trust Fund (CCITF)	2,123	2,104
	$ 7,312	$ 9,928

Cash and Cash Equivalents in the Consolidated Cash Investment Trust Fund (CCITF) is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio comprises high quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2017, securities held by the CCITF have a time-weighted rate of return of 0.89% per annum (2016 – 0.83% per annum).

8. COMMON FUND INVESTMENTS

	2017	2016	2017	2016
	Cost	Cost	Market Value	Market value
	(in thousands)		(in thousands)	
Items at Cost or Amortized Cost				
Interest Bearing Securities	$ 468,579	$ 472,688	$ 453,445	$ 482,181
Items at Fair Value				
Equities Listed in Active Market	17,052	17,602	17,052	17,602
Other Designated to Fair Value	19,348	8,681	19,348	9,001
	36,400	26,283	36,400	26,603
Total Common Fund Investments	$ 504,979	$ 498,971	$ 489,845	$ 508,784

Fair Value Hierarchy
The table below provides a summary of management's estimate of the relative reliability of data or inputs used by OPGT to measure the fair value of OPGT's investments. The measure of reliability is determined based on the following three levels:

Level One: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one includes primarily traded listed equity investments.

8. **COMMON FUND INVESTMENTS** *(continued)*

Level Two: Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market. For these investments, fair values are either derived from a number of prices that are provided by independent pricing sources or from pricing models that use observable market data such as swap curves and credit spread.

Level Three: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Equities Listed in Active Market	$ 17,052	$ -	$ -	$ 17,052
Others designated to fair value	19,348	-	-	19,348
March 31, 2017 - Total	$ 36,400	$ -	$ -	$ 36,400

Financial Risk Management
OPGT is exposed to financial risks associated with the underlying securities held in the investment funds. These financial risks include credit risk, market risk and liquidity risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is comprised of currency risk, interest rate risk and price risk. Liquidity risk is the risk the Fund will not be able to meet its obligations as they fall due.

OPGT investments are managed in accordance with the Statement of Investment Policies and Goals (SIP&G). The policy and goals are designed to mitigate risks by placing restrictions on the overall content, quality and quantity of permitted investments. Pursuant to the policy and goals, the investments are high quality, highly rated fixed income securities, equity investments in Canadian and foreign currency and mortgages. Exposure to foreign currencies has provided diversification benefits.

OPGT works with an investment advisor and an investment manager that actively manages the asset class allocations based on the policies and goals in the SIP&G. On a quarterly basis, the investment manager provides performance and compliance reports and meets with the Public Guardian and Trustee, the investment advisor and the Investment Advisory Committee.

a) **Credit Risk**

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with OPGT. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies usually leading to a fall in the fair value of the counterparty's obligations. Credit risk exposure for financial instruments is measured by the positive fair value of the contractual obligations with counterparties. The fair value of all investments is directly or indirectly impacted by credit risk to some degree. OPGT's investments in debt securities are with counterparties considered to be investment grade.

b) **Foreign Currency Risk**

OPGT is exposed to foreign currency risk associated with 2.3% (March 31, 2016 - 2.3%) of the underlying securities held in the Common Fund investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fair value of investments denominated in foreign currencies is translated into Canadian dollars using the reporting date exchange rate.

c) **Interest Rate Risk**

OPGT is exposed to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of investments will change due to future fluctuations in market interest rates. In general, investment returns from bonds and mortgages are sensitive to changes in the level of interest rates, with longer term interest bearing securities being more sensitive to interest rate changes than shorter-term bonds. If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 2.7% (March 31, 2016 – 2.8%) of total investments.

Approximately nil (March 31, 2016 - nil) of interest-bearing securities are invested with variable interest rate with minimum interest rate risk exposure.

d) **Price Risk**

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. OPGT is exposed to price risk associated with the underlying equity investments held in investment funds. If equity market indices (S&P/TSX, S&P500, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 0.3% (March 31, 2016 – 0.3%) of total investments.

e) **Liquidity Risk**

Liquidity risk arises if OPGT should encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements of OPGT are met through income generated from investments, clients' revenues and by investing in publicly traded liquid assets traded in active market that are easily sold and converted to cash. These sources of cash are used to pay clients' obligations, their operating expenses and settle clients' final payments associated with the termination of OPGT's responsibilities towards clients.

OPGT currently has minimal liquidity risk.

9. OTHER TRUST ASSETS UNDER ADMINISTRATION

	2017	2016
		(in thousands)
a) Trust assets under administration		
Accounts Receivable	$ 9,526	$ 5,904
Real Property	25,734	28,613
Other Assets	4,460	3,142
Clients' Investments Outside the Common Fund	56,613	55,286
Annuities	45,404	46,659
Total Other Trust Assets Under Administration	141,737	139,604
Clients' Accounts, Mortgages, and Loans Payable	(47,009)	(47,881)
Other Trust Assets Under Administration	94,728	91,723
Increase in Other Trust Assets Under Administration, net	$ 3,005	$ 5,572
b) Trust Assets Acquired		
Increase in Other Trust Assets Under Administration	$ 3,005	$ 5,572
Assets Released to Clients, Beneficiaries and Heirs	22,527	30,758
Proceeds on Sale of Trust Assets	14,787	14,594
Acquisition of Trust Assets	(4,264)	(4,885)
Interest and Dividends from Clients' Investments outside of Common Fund	(319)	(371)
Trust Assets Acquired	$ 35,736	$ 45,668

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
		(in thousands)
Transfer from Common Fund to General Revenue Fund	$ 1,655	$ 620
Accrued Investment Fees and Other Payable	171	144
Accounts Payable and Accrued Liabilities	$ 1,826	$ 764

11. CLIENTS' ACCOUNTS, MORTGAGES AND LOANS PAYABLE

	2017	2016
	(in thousands)	
Accounts Payable	$ 36,251	$ 36,024
Administrative Fees Payable	7,259	7,487
Mortgage and Loans Payable	3,499	4,370
	$ 47,009	$ 47,881

The five year repayment schedule for mortgage and loans payable is not presented due to the uncertainty in timing for the clients' account settlements.

12. RELATED PARTY TRANSACTIONS

	2017	2016
	(in thousands)	
Statement of Financial Position		
Transfer from Common Fund to General Revenue Fund	$ 1,655	$ 620
Administration Fees Payable	7,259	7,487
Statement of Operations		
Administrative Fees	$ 5,205	$ 5,571
Transfer from Common Fund to General Revenue Fund	1,655	620

Transfers to the General Revenue Fund consist of system development costs to replace the legacy system and management fees that are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

Estate administration fees charged to clients' accounts, with the exception of cost recoveries, are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

The *Public Trustee Act* states that unclaimed property must be held for at least ten years from the date of an order declaring the person to be missing or after the date that the Public Trustee publishes a notice in The Alberta Gazette. After ten years of inactivity, trust balances held by the OPGT may be transferred to the General Revenue Fund. For the year ended March 31, 2017 the amount transferred was $1,138 (2016 - nil). The amount appears on the financial statements as part of the Cash Distributions to Clients, Beneficiaries and Heirs.

The operating costs of the Public Trustee portion of OPGT are included in the financial statements of the Ministry of Justice and Solicitor General. For the year ended March 31, 2017, the operating costs were $18,875 (2016 - $15,965).

13. CONTINGENT LIABILITIES

(in thousands)

The OPGT has been named in two (2016: three) claims of which the outcome is not determinable. Two of these claims have specified amounts totaling $20,900 (2016: three claims with a specified amount of $27,400). Two of the claims amounting to $17,650 (2016: three claims totaling to $27,400) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

14. GOVERNMENT REORGANIZATION

In January 2017, the government announced cabinet restructuring. As a result, the responsibility for the Office of the Public Guardian and Trustee was transferred from the Ministry of Human Services to the Ministry of Justice and Solicitor General.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

The Public Trustee and the Assistant Deputy Minister of Justice and Solicitor General - Justice Services Division approve these financial statements.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
CLIENTS' GUARANTEED ACCOUNTS
As at March 31, 2017

	2017	2016
		(in thousands)
Clients' Equity	$ 527,102	$ 523,787
Clients' Accounts, Mortgages, and Loans Payable	47,009	47,881
Total Clients' Liabilities and Equity	574,111	571,668
Less: Other Trust Assets Under Administration	141,737	139,604
Clients' Guaranteed Accounts	$ 432,374	$ 432,064

The accompanying notes and schedules are an integral part of these financial statements

Other Financial Information

Other Financial Information

The following information is unaudited.

Statement of Compromises and Write-offs

Civil Law Legal Services Delivery

Fine Activity Information

Fine Collection Cost Estimates

STATEMENT OF COMPROMISES AND WRITE-OFFS
For the Year Ended March 31, 2017
(Unaudited)
(in thousands)

The following Statement of Compromises and Write-offs has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all compromises and write-offs that the Ministry of Justice and Solicitor General made or approved during the fiscal year.

Compromises:		
Motor Vehicle Accident Recoveries	$	-
Write-offs:		
Motor Vehicle Accident Recoveries	$	7,499
Fines		5,392
Fines – Late Payment Penalty		1,909
Abandoned and Seized Vehicles		336
Maintenance Enforcement		781
	$	15,917
Total Compromises and Write-offs	$	15,917

CIVIL LAW LEGAL SERVICES DELIVERY
Current and Prior Year Comparison
(Unaudited)

Staff Providing Services

Civil Law provides legal and related strategic services to all government ministries. Civil Law maintains a time keeping system to enable its lawyers, paralegals and articling students to record and report the hours of legal services provided in total to each ministry and their respective programs. In 2016-17, 325 lawyers, paralegals and articling students recorded in excess of 308,000 hours of provided legal services and in 2015-16, 296 such staff recorded more than 302,000 hours. The total hours of service to each Ministry is used as the basis to allocate legal services costs.

Cost of Legal Services

The costing methodology to estimate the costs for providing legal services for allocation to all client ministries includes the total cost of Civil Law less expenditures on contracted services and grants to third parties. A proportionate amount for support services provided by Corporate Support Services, Human Resource Services, and Information Management and Technology Services are included in the estimate. The estimate includes accommodation costs for office space in government owned or leased buildings as paid by and reported by the Ministry of Infrastructure and also includes all or part of salary and benefit costs for lawyers paid directly by client ministries. The estimated costs are allocated to each ministry based on the hours of service received. The Ministry of Justice and Solicitor General, as a service provider, sends the legal services cost information to each ministry for disclosure in the Related Party Transactions Schedule and the Allocated Costs Schedule to the Financial Statements of each ministry's annual report.

Current and Prior Year Comparison

The table below summarizes the estimated cost of allocated legal services, the number of hours allocated and the average hourly cost.

Cost Estimates	2016-17	2015-16
Total Civil Law Costs	$ 51,040,085	$ 52,859,109
Deduct Contract Services, Grants, and Amortization	1,169,587	1,467,952
	$ 49,870,498	$ 51,391,157
Add: Support Services	1,979,244	2,635,911
Accommodation	2,501,574	2,522,305
Client Cost for Lawyers	2,810,703	3,164,534
Total Legal Services Costs for Allocation	$ 57,162,020	$ 56,713,907
Number of Hours of Service Provided	308,221	302,065
Average Hourly Cost	$ 185.46	$ 197.67

FINE ACTIVITY INFORMATION
(Unaudited)

Federal and Provincial Statute Offences and Municipal Bylaw Offences

A management information report summarizes fine activity by the recipients entitled to the fine or penalty revenue. The municipalities receive specific provincial statute offence fines and all municipal bylaw fines for offences occurring within municipal boundaries. The majority of municipal fine activity occurs in cities, towns, counties and municipal districts. The Alberta government receives fine revenue for provincial statute offences occurring on primary highways and other specific provincial statute offences. The Alberta government receives any late payment penalties on overdue fines and some fines under the *Criminal Code of Canada* and retained 16 2/3 percent of *Traffic Safety Act* fines prior to April 30, 2015. Effective May 1, 2015, the Alberta government retains 26 2/3 percent of *Traffic Safety Act* fines. The Victims of Crime Fund receives a 15 percent surcharge on all provincial statute fines and a 30 per cent surcharge on selected federal statute offences. These surcharge revenues are used to fund victims programs in Alberta. The federal government receives fine revenue for federal statute offences and selected fines under the *Criminal Code*.

The tables below summarize fines payments for the twelve months from April 2016 to March 2017 and for the twelve months from April 2015 to March 2016 by the recipient level of government.

Fine Payments – April 2016 to March 2017

Recipient	Number of Fine Payments		Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,137,477	$	210,633,115	51.8%
Alberta Government	238,037		39,868,514	9.8%
Victims of Crime Fund	Note		46,663,778	11.5%
Federal Government	1,302		801,442	0.2%
Late Payment Penalty	1,038,954		31,396,540	7.7%
Fine Retention	Note		77,654,869	19.1%
Total	3,415,770	$	407,018,258	100.0%

Fine Payments – April 2015 to March 2016

Recipient	Number of Fine Payments		Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,213,164	$	201,267,380	53.5%
Alberta Government	236,145		39,858,214	10.6%
Victims of Crime Fund	Note		43,300,796	11.5%
Federal Government	1,475		957,422	0.3%
Late Payment Penalty	978,418		27,196,435	7.2%
Fine Retention	Note		63,895,533	17.0%
Total	3,429,772	$	376,475,779	100.0%

Note: The Number of Fine Payments for Victims of Crime Fund and Fine Retention have been accounted for in the other recipient categories.

FINE COLLECTION COST ESTIMATES
(Unaudited)

Overview

Costing methodologies have been developed to estimate the cost of collecting a provincial statute fine and the cost of collecting a federal statute (*Criminal Code* and other) fine. The estimated cost of collecting a provincial statute fine is related to the number of violation tickets received by all Provincial Court offices in Alberta. The estimated cost of collecting a federal statute fine is related to the approximate number of Fine Orders in all Provincial Court offices. The estimated costs are those incurred by Alberta Justice and Solicitor General in Resolution and Court Administration Services, Alberta Crown Prosecution Service, Justice Services, and Corporate Services.

Estimated Cost of Collecting a Provincial Statute Fine – 2016-17 and 2015-16

There were 2.560 million violation tickets received by all Provincial Court offices in 2016-17 and 2.557 million in 2015-16. The major cost components for Resolution and Court Administration Services are the Calgary and Edmonton Provincial Traffic Courts, ticket processing costs in the Regional Provincial Courts and the cost of violation ticket printing and direct general and regional overhead expenditures. Alberta Crown Prosecution Service costs include paralegal prosecutors and support staff and first appearance centres in Calgary and Edmonton. Justice Services and Corporate Services costs are for the operation and maintenance of the Justice Online Information Network (JOIN) system applicable to violation tickets and for postage and handling of the Notice of Conviction mail-outs.

The table below summarizes the provincial statute and municipal bylaw fine payments received and the cost for violation tickets received by all provincial courts.

		2016-17	2015-16
Total Provincial Statute and Municipal Bylaw Payments Received			
Provincial Acts - Fine and Surcharge		$ 345,053,606	$ 317,151,721
Municipal Bylaw		19,347,982	19,144,749
Late Payment Penalty		31,396,540	27,196,437
Total Violation Ticket Payments	A	$ 395,798,128	$ 363,492,907
Cost for Violation Tickets Received by All Courts			
Total Estimated Cost	B	$ 40,013,000	$ 38,130,000
Cost per Dollar Collected	(B/A)	$ 0.10	$ 0.10

Estimated Cost of Collecting a Federal Statute Fine – 2016-17 and 2015-16

There were 74,542 Fine Orders in all Provincial Court offices in 2016-17 and 65,754 in 2015-16. The major cost components for Resolution and Court Administration Services are the salary and benefit costs of court staff and Provincial Court Judges with associated supplies and services costs. Alberta Crown Prosecution Service costs are primarily the salary and benefit costs of the Crown prosecutors and for the operation and maintenance of the JOIN system applicable to criminal case tracking. Justice Services pays for the salary and other operating costs for the Fines Enforcement Unit that collects Criminal Code fines on behalf of all courts in the province.

The table below summarizes the federal statute fine payments received and the cost for all Fine Orders prepared by all Provincial Court offices.

		2016-17	2015-16
Total Federal Statute Payments Received			
Federal Acts - Fine and Surcharge	A	$ 11,222,504	$ 12,985,721
Cost for Fine Orders by All Courts			
Resolution and Court Administration Services and Alberta Crown Prosecution Service		$ 31,021,886	$ 31,229,179
Justice Services and Corporate Services		1,066,593	1,026,456
Total Estimated Cost	B	$ 32,088,479	$ 32,255,635
Cost per Dollar Collected	(B/A)	$ 2.86	$ 2.48

Annual Report Extracts and Other Statutory Reports

The *Criminal Code* requires the Minister of Justice and Solicitor General to report annually on the following parts of the *Act*.

Criminal Code s.83.31 – Anti-Terrorism Act

Section 83.31 of the *Criminal Code* requires the Attorney General of Alberta to publish an annual report on the operation of those parts of the Act dealing with investigative hearings and recognizance with conditions.

This constitutes the annual report of the Attorney General of Alberta covering the period from December 24, 2015 to December 24, 2016.

I. Report on the Operation of sections 83.28 and 83.29

(Investigative Hearing)

The Attorney General of Alberta reports that there were no applications initiated under these sections of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements under paragraphs 83.31(1)(a) to (c) of the *Criminal Code*.

II. Report on the Operation of Section 83.3

(Recognizance with Conditions)

The Attorney General of Alberta reports that there were no cases initiated under this section of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements in paragraphs 83.31(2)(a) to (f) of the *Criminal Code*.

Criminal Code s.83.3 (3) – Anti-Terrorism Act

In accordance with subsection 83.3(4) of the *Criminal Code*, a peace officer who suspects, on reasonable grounds, that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of *the Criminal Code*, the minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

- The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and
- The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2016 is zero.

Criminal Code s.25.3 – Organized Crime and Law Enforcement – Designations

Section 25.3 of the *Criminal Code* provides a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion. An essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Minister of Justice and Solicitor General is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Alberta began designating officers under this legislation in March 2003. The designations for January 1 to December 31, 2016 include:

- Number of times that acts and omissions were committed: two;
- Nature of conduct being investigated: robbery and firearms offense; and
- Nature of act or omission: Theft under $5,000 and unsafe storage and transportation of a firearm sec. 86(2) cc.

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Disclosure (Whistleblower Protection) Act* requires the chief officer of a department to report annually on all disclosures made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

This constitutes the annual report of the chief officer of the department covering the period of April 1, 2016 to March 31, 2017.

Chief Officer Report as at March 31, 2017

In relation to the reporting requirements under section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act*, designations for April 1, 2016 to March 31, 2017 include:

- Number of disclosures of wrongdoing: two
- Number of investigations and reports submitted: two
- Number of wrongdoings identified: zero